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Poland Enacts Special Powers To Intervene in the Economy

By Jackson Diehl Washington Post Service

GDANSK, Poland — The government of General Wojciech Jaruzelski gave its ministers special powers Tuesday to intervene in the economy in an effort to restart a stalled reform program and to halt an inflationary spiral that led to a wave of workers' protests.

One day after workers in the Gdansk shipyard abandoned a nine-day strike, the Sejm, Poland's parliament, met in Warsaw and formally approved a law that temporarily reversed much of the decentralization of economic management that the country had carried out in recent years in an effort to reshape its economy with market forces.

Central government ministers will be able to reverse decisions by state enterprises to raise wages and prices under the new law. Ministers can also order layoffs and the break up, merger or liquidation of companies, and dismiss managers who violate wage and price principles or block reforms.

The government will have the authority to order a wage and price freeze.

The version of the law debated provisions included in a previous draft that would have banned all protests and strikes. Instead, official trade unions have been restricted from initiating collective grievances against any action taken under the special measures unless they obtain permission from national union leaders in Warsaw.

The emergency measures, which were openly opposed by the trade unions as well as senior government officials in their earlier form, were first proposed by General Jaruzelski in March, when government officials were already warning about excessive pay settlements for workers.

Since then the 16-day wave of strikes that ended Tuesday and a loosening of government tax regulations have led to big wage increases for workers around the country.

A government spokesman, Jerzy Malkowski, said at a news conference Wednesday that the primary executor of the new powers would be Deputy Prime Minister Zdzislaw Sadowski, an economist who has been the architect of the economic reform program.

Mr. Sadowski originally opposed the measures, saying in a speech to a group of Polish economists that he thought they were unnecessary and that they worked against the principles of the reform.

Mr. Malkowski said he did not think the government would move to order a wage and price freeze in the foreseeable future because this was meant for "extreme situations."

He said he did not know what might be the first concrete action.

Solidarity's loss is no gain for Jaruzelski, Analysts, Page 2.

taken under the new powers, which took effect today and will extend until the end of the year.

The economic reform program, called the second stage of reform by General Jaruzelski, went into effect last November but has produced few results so far outside of sharply higher inflation.

The program was supposed to further decentralize Poland's economy, making state companies independent and forcing them to compete in a free market environment. It was also supposed to significantly expand private enterprise and the privately owned business sector.

Walesa Analyzes Strike

Mr. Walesa, the Solidarity leader, said Tuesday that an eight-day sit-down strike at the Lenin shipyard showed Solidarity's strength but that lack of widespread support had hurt the strikers. The Associated Press reported from Gdansk.

define "weapon" and could the Senate be sure, as the administration contended, that the Soviet Union agreed?

But with less than three weeks to go before President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, are to meet in Moscow, the formal adoption of the treaty that both men have planned as the centerpiece of their summit meeting now hangs on resolution of a more serious dispute over the details of on-site verification. The Senate has postponed its floor debate on the pact until that dispute is resolved.

Senators and administration officials expressed hope Tuesday, and even some optimism, that the disagreement could be settled this week during meetings in Geneva between Secretary of State George P. Shultz and Foreign Minister Eduard A. Shevardnadze of the Soviet Union. But many complained privately that there was no need for

See INF, Page 2

How did American negotiators

and in Europe. And in the grand scheme of superpower relations, arms control experts on both sides regard its primary significance as political rather than military.

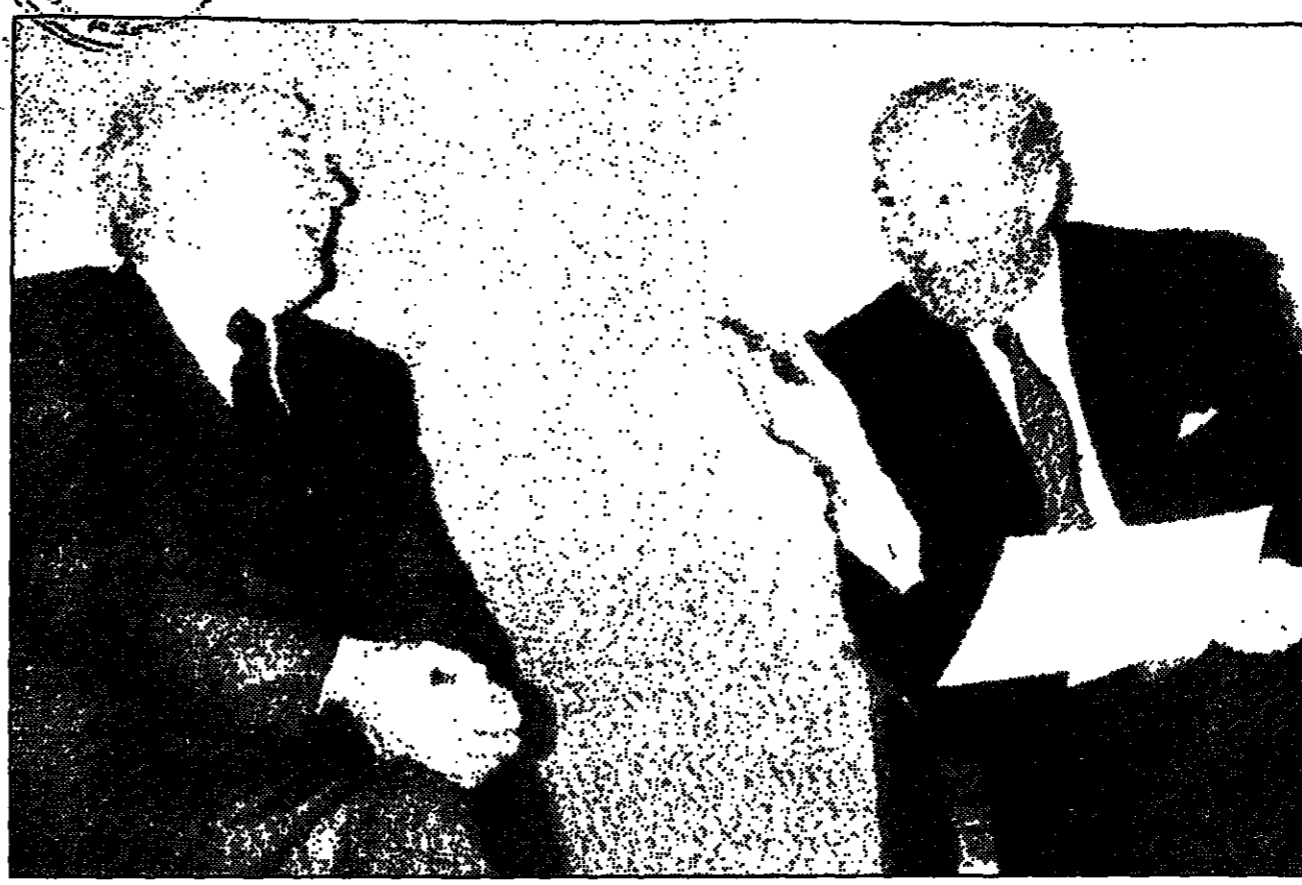
But the devil of arms control is in the details. And precisely because there is no dispute about whether the treaty itself is a good thing, it has proven particularly vulnerable during Senate committee review to disputes on arcane matters and tangential issues that otherwise might have been ignored.

Until last month all of those disputes were essentially internal, a battle of wits and endurance between a handful of Senate arms control experts and their counterparts in the administration.

Could the Senate rely on the administration's interpretation of the treaty as authoritative or did it need to examine the entire negotiating record?

Did the treaty ban futuristic versions of medium- and shorter-range missiles, and if so, which ones?

How did American negotiators



Eduard A. Shevardnadze, left, and George P. Shultz during their first meeting on Wednesday at the U.S. mission in Geneva.

A Tentative U.S.-Soviet Accord on INF

Compiled by Our Staff From Dispatches

GENEVA — U.S. and Soviet negotiators, in a drive to gain Senate approval of a historic missile-treaty, reached tentative agreement Wednesday night on a handful of sticking points on policing the pact against cheating, a senior U.S. official said.

The issues are technical, but Senate Democratic and Republican leaders have vowed not to consider ratification of the treaty until they are settled.

The official declined to predict Senate passage of the treaty as a result of the progress reached in Geneva in talks supervised by Secretary of State George P. Shultz and the Soviet foreign minister, Eduard A. Shevardnadze.

But he said the United States still expected to get a resolution of the issue before President Ronald Reagan's visit to Moscow on May 29 for the summit meeting with Mikhail S. Gorbachev.

The issues, involving verification of the agreement to scrap all U.S. and Soviet intermediate-range missiles, were taken up by two teams of experts headed by Maynard W. Glitman, who negotiated terms of the treaty for the United States, and General Nikolai Chervov, the

senior arms control specialist on the Soviet general staff.

Among the four or five issues tentatively resolved, the U.S. official said, were the two principal sticking points. One deals with U.S. demands to be able to inspect Soviet missile containers big enough to hold only a stage of the rocket. The other involves how much access U.S. inspectors will have to Soviet missile plants and bases.

Disputes over how to check compliance with the treaty have threatened to delay Senate ratification until after the Moscow meeting.

Mr. Reagan and Mr. Gorbachev signed the pact when they last met in Washington, in December.

Charles E. Redman, a State Department spokesman, said of the talks Wednesday: "There has been some progress and the two sides are continuing to work on these issues that need to be resolved."

"We came here to get these things resolved and we believe the Soviets came in the same spirit," he said, adding that given the level of the officials taking part, the problems "should be able to be resolved."

Mr. Glitman and General Chervov discussed the treaty Wednesday afternoon and met again later.

The chief Soviet arms control negotiator in Geneva, Alexei Obukhov, and Paul H. Nitze, Mr. Reagan's arms control adviser, were in charge of talks on strategic, or intercontinental, missiles, Mr. Redman said.

Mr. Shultz and Mr. Shevardnadze spent much of their meeting discussing human rights issues and scheduling and logistics for the Moscow summit meeting, Mr. Redman said.

Mr. Redman said other points discussed were the legal status of medium-range Pershing-1A missiles owned by West Germany but held in the United States, and whether the INF treaty covered futuristic as well as nuclear weapons.

Mr. Redman said U.S. and Soviet officials also discussed a proposed treaty that would roughly halve their strategic nuclear arsenals to 6,000 warheads and 1,600 launchers each.

The main issues were how to count air-launched cruise missiles carried by bombers, and whether to ban mobile ground-launched missiles, he said.

The main regional issue under discussion was the 13-year civil war in Angola.

(AP, Reuters)

Key Rate Is Raised In U.S.

Dow Falls 37.8, Partly on Remarks By U.K. Official

Compiled by Our Staff From Dispatches

NEW YORK — Major U.S. banks raised their prime lending rates to 9 percent from 8.5 percent on Wednesday, confirming financial market fears that had already sent stock prices sliding.

The fears of higher interest rates worldwide had been kindled earlier in the day by remarks from the British chancellor of the Exchequer, Nigel Lawson.

The increase in the prime, the first such move by major banks since the global stock market collapse in October, helped send the Dow Jones industrial average 37.84 points lower to close at 1,965.85.

The decline on Wall Street followed earlier drops in Tokyo, London and other major world stock exchanges.

The 30-stock average had been down almost 50 points before the rate increases were announced beginning at midday. The index, which gained 6.30 points Tuesday, has lost more than 92 points since May 3.

The dollar ended higher against most major currencies in domestic trading, bolstered by the rise in U.S. interest rates. Ronald Holzer, chief dealer at Harris Trust and Savings Bank in Chicago, said that "the dollar cannot go a lot lower in this environment of higher interest rates."

Mr. Lawson said in a published interview that there could be an internationally coordinated boost in interest rates.

His remarks were cited for a nearly 1 percent decline in the Nikkei stock average on the Tokyo Stock Exchange and a drop of just under 2 percent in the Financial Times-Stock Exchange 100 Share Index in London.

Mr. Lawson said a coordinated effort by West Germany, Japan and other leading nations to raise interest rates "is certainly possible" following an anticipated move by the U.S. Federal Reserve Board to raise short-term rates to reduce inflation.

The British Treasury expressed surprise at the way Mr. Lawson's comments were interpreted, saying the minister was referring to a hypothetical position, not making a prediction.

But Beryl W. Sprinkel, chairman of the U.S. President's Council of Economic Advisers, asserted that the central bank has put upward pressure on short-term rates in recent weeks. He defended the move as making sense in the face of a strong economy and recent growth in the money supply.

Economists had predicted an increase in the prime rate, which often lags behind other rates, because the cost of borrowing for banks has been increasing in recent weeks.

The increased borrowing costs reflect fears of higher inflation, which has been fed by evidence of robust U.S. economic growth, especially a report last week that showed unemployment had hit a 14-year low.

For example, the federal funds rate, the interest charged on overnight loans among banks, has risen above 7 percent, compared with around 6 percent less than two months ago.

The last time banks raised the prime rate was in September, when it went to 9.25 percent from 8.75 percent. The rate dropped to 9 percent on Oct. 22, after the stock collapse, and subsequently fell to 8.75 percent on Nov. 5 and to 8.5 percent on Feb. 2.

In the stock markets, the comments by Mr. Lawson sent prices lower in early trading in the Far East. In Tokyo, the 225-share Nikkei index fell 251.30 points, or 0.92 percent, to close at 27,161.05.

In London stock trading, which ended after the U.S. banks began to

Kiosk

House Backs Curbs on Arms

WASHINGTON (AP) — The House of Representatives overrode President Ronald Reagan's objections Wednesday and passed a Pentagon budget bill that restricts his arms control policies and space-based anti-missile plan.

The 252-to-172 vote in the Democratic-controlled chamber went largely along party lines. The bill eventually will go to a conference committee to be reconciled with the different budget measure pending in the Senate.

The Senate, meanwhile, voted Wednesday for a \$4.55 billion budget for the Strategic Defense Initiative, narrowly rejecting a move to cut deeply into Mr. Reagan's anti-missile research program.

Mr. Sadowski originally opposed the measures, saying in a speech to a group of Polish economists that he thought they were unnecessary and that they worked against the principles of the reform.



Michael S. Dukakis of Massachusetts won sweeping victories in Democratic primaries in West Virginia and Nebraska. Page 3.

General News

Millions in Mozambique flee brutal terror campaign waged by rightist guerrillas. Page 7.

Business/Finance

The West German cabinet approved a sweeping reorganization of the post office. Page 9.

Royal Dutch/Shell, the British-Dutch oil giant, reported sharply higher profits. Page 9.

Table with exchange rates: The Dollar Down 37.80, Yen 124.45, etc.

Kim Philby, Soviet Spy, Is Dead at 76

Compiled by Our Staff From Dispatches

LONDON — Harold (Kim) Philby, the British double agent who penetrated Western intelligence for the Soviets before fleeing to Moscow in 1963, died Wednesday in the Soviet Union, British officials said.

The officials said they had been informed by the Soviet Embassy in London that Mr. Philby, 76, had died. They said they had no further details.

Mr. Philby was possibly the most important agent ever to serve Moscow from inside the Western intelligence apparatus.

A "mole" who gained official access to the most sensitive secrets of Britain and the United States at the height of the Cold War, Mr. Philby was often called the spy of the century.

Because his discovery profoundly embarrassed both the British and U.S. intelligence communities — and because he escaped — the scope of his activities was slow in coming to light after his disappearance from his job as a journalist in Beirut in January 1963.

Born to a prominent British family and educated at some of the best schools in Britain, Mr. Philby was so valued as an espionage expert by the British secret service that at one point he was being groomed to be its chief.

He was a spy for 30 years while he worked for the British secret service and became known as the "third man" who tipped off fellow spies Donald Maclean and Guy Burgess that they were under investigation by British authorities in the late 1950s.

Both fled to the Soviet Union in 1951. Those who have studied his case say his reason led to the deaths of many Western agents.

Of the three, Mr. Philby was regarded as by far the deadliest.

He headed the British anti-Soviet espionage operations and held crucial positions with United States intelligence when he relayed to his KGB masters information on the methods and men involved in the British secret services.

He was head of the anti-Soviet operations department of Britain's MI6 intelligence service during the 1940s and was accused of betraying numerous British agents during his

See PHILBY, Page 2



WORKERS PROTEST IN SINGAPORE — Workers at a rally Wednesday called to protest what the government claims is growing U.S. intervention in the country's internal affairs. Page 6.

Soviets Let Cultural Exile Pay Visit, Raising Hope of Others

By Esther B. Fein New York Times Service

MOSCOW — One of the most prominent Soviet cultural figures forced into exile for challenging artistic orthodoxy has returned to Moscow to help stage a play at the theater he founded.

The banished artist, Yuri Lyubimov, former artistic director of the Taganka Theater, was stripped of his citizenship in 1984 while touring Britain, and he had been unable to return to the Soviet Union until this week.

Mr. Lyubimov, 70, is the most significant Soviet artist in exile to come back to work since Mikhail S. Gorbachev became the Soviet leader in 1985. Rudolf Nureyev, the ballet star who defected in 1961, was allowed to return last fall for two days to visit his ailing mother, but he did not perform.

The return of Mr. Lyubimov on Sunday for a 10-day stay may help smooth the way for other émigré artists like Mikhail Baryshnikov, the ballet dancer, and

Mstislav Rostropovich, the cellist and conductor, to negotiate terms enabling them to visit the Soviet Union from their new homes.

Tuesday afternoon, tired after rehearsing with his former company, Mr. Lyubimov settled into his old chair at the theater office. It had been four years since he sat in this chair, behind his old desk, but he was quickly comfortable in its familiar embrace.

"Imagine if you didn't see your family for years," he said. "Imagine your love for them, for the streets, the house you grew up in, the place you were born in and grew up in. That's exactly what I feel and it's always painful to talk about it."

Yevgeny Yevushenko, the poet, said there had been controversy in Moscow over allowing Mr. Lyubimov to return.

"There was a big fight around the invitation," said the poet, who is a longtime friend of the director. "Some bureaucrats didn't want it. We have heard that Gorbachev himself approved the invitation."

Mr. Lyubimov said that he "came here to work" and that it was not his intention to work back to the Soviet Union. He has contracts and commitments in the West for the next five years, he said, but added that he hoped this visit was an indication that "all of my free time, between contracts, I will be able to spend here."

Mr. Lyubimov is helping Taganka to stage the Pushkin play "Boris Godunov," his version of which was banned the year he left.

As founder of the Taganka Theater, and its director for 20 years, Mr. Lyubimov molded it into a bastion of the radical and avant-garde, repeatedly challenging traditional Soviet approaches to culture.

In Mr. Lyubimov's adaptation, the story of Czar Boris Godunov suggests comparisons between the problems of 17th-century Russia and those of modern Soviet life.

The decision to allow its production now is being regarded as a sign of increased openness to unorthodox ideas,

part of what Mr. Gorbachev calls glasnost.

Mr. Lyubimov, who lives in Jerusalem, tried to play down the political importance of staging the play and also of his visit to Moscow. He preferred, instead, to enjoy once again creating theater with his company and to work inside the building where their artistic experiment began.

"I know every corner, every window," he said, walking through the halls. "And I love them all."

He spent his first day back, he said, visiting the graves of his parents, grandparents and his older brother and reacquainting himself with the land he still calls "my country."

He is staying, he said, as a private guest at the home of Nikolai Gubenko, the new director of the Taganka and a friend of 25 years.

Despite their efforts to characterize the visit as private, Mr. Lyubimov and Mr. Gubenko seemed sensitive to the fact that a welcome precedent might be set.

"You think Rostropovich wouldn't come here with pleasure?" Mr. Gubenko asked. "I think he would be glad for the opportunity to share with his compatriots, and I think they should have that opportunity to share."

Allowing Mr. Lyubimov to return and to work is "a sign of tolerance," said Mr. Yevushenko. He added, "Many things in the future depend on how this visit goes."

Mr. Yevushenko said he had heard that the Soviet leader "was quoted as telling a friend that he was not angry at the letter Lyubimov signed in 1987," an open letter signed by several Soviet émigrés questioning the authenticity of liberalization under Mr. Gorbachev.

Mr. Lyubimov's break with the authorities came after he staged "Crime and Punishment" in London and became embroiled in a dispute with the Soviet Embassy. Mr. Lyubimov said on British television that a Soviet diplomat had threatened him.

Vertical text on the left margin: PEOPLE, Musical Tribunes, For Nelson Mandela, etc.

# U.S. Analysts Say Gorbachev Buys Time With Arms Talks

By George C. Wilson  
*Washington Post Service*

WASHINGTON — U.S. intelligence analysts portray Mikhail S. Gorbachev as a Soviet leader pursuing arms control agreements to provide time to modernize his country's industrial base so it can produce not only consumer goods but also the high-technology weapons needed to close a gap with the West.

This portrait is sketched by the Central Intelligence Agency, the Defense Intelligence Agency and the Pentagon in a recent series of reports, and it is filled out by Soviet specialists within the government familiar with the secret as well as public assessments of Mr. Gorbachev's policies and their chances for success.

According to the analysts, Mr. Gorbachev confronts the following problems on the military front:

• He cannot make any big savings immediately in the Soviet military establishment because the high-cost items are in full production and cannot safely be stopped. Cases in point are the Typhoon and Delta IV submarines, which would have to carry more of the nation's nuclear firepower after a strategic arms reduction agreement.

• The present industrial base cannot turn out the high-technology weapons that the West will field in the 1990s and beyond although Soviet military leaders are calling for quality as well as quantity. Arms control agreements would reduce the pressure on Mr. Gorbachev to close the technology gap.

• He almost certainly will not be able to transform the industrial sector into high-technology capability by the time production runs of the current generation of weapons end in the early 1990s. Unless he can point to arms control agreements that make matching the West's weapons less urgent, his generals will press him to produce more of the old weapons at great expense, eating up money and production capability he would rather devote to consumer goods without closing the high-technology gap.

Denied the option of canceling existing weapons production to free money for consumer goods, Mr. Gorbachev has been forced to squeeze money out of the military's operation and maintenance, called "readiness accounts" by the Pentagon, which contain money needed to keep ships steaming far from home. The U.S. flotilla in the Gulf, for example, costs about \$1 million a day to operate.

Mr. Gorbachev, who came to power in 1985, last year found weapons eating up the military's procurement budget as he tried to find money for consumer production, according to the CIA and Defense Intelligence Agency. The weapons included Typhoon and Delta missile submarines, the Soviet class attack submarines, which are being refitted for quieter running in the hope of evading U.S. detection; the B-76 military transport; and the SA-10 anti-aircraft missile.

"While apparently leaving major procurement programs alone, Gorbachev was increasingly vocal on the need for military support of the modernization campaign," the two agencies said in their recent joint report submitted to the Joint Economic Committee of Congress.

"Early in 1987 he called defense a 'great burden' on the economy and indicated that, in the future, military requirements would have to be based on the principle of 'reasonable sufficiency,'" the report went on.

It said that the military's only response observed so far had been to trim some operation-and-maintenance costs. "The navy, for example, has reduced its out-of-area operations," the report said.

The Soviets, in the strategic arms reductions talks, already have agreed to cut their force of block-buster land missiles, the SS-18, from 308 to 154. Arms control specialists predict this reduction will impel the Soviets to put more of their nuclear firepower under the sea in Typhoon and Delta IV missile submarines.

Representative Les Aspin, the Wisconsin Democrat who is chairman of the House Armed Services Committee, said Tuesday that his committee had not looked at arms control proposals through Mr. Gorbachev's end of the telescope but would do so soon in hearings. Analysts from the CIA and the Defense Intelligence Agency, as well as Soviet specialists outside the government, will testify, he said.



Lech Walesa, left, walks from the shipyard with the mediator, Tadeusz Mazowiecki.

## IRAQ: Missiles Over Diplomacy

(Continued from Page 1)

The Iraqi leadership announced in late April that it had tested a new missile, the Al Abbas, with a range of 875 kilometers, giving Iraq the capability of hitting Iran's vital ports and oil installations in the Gulf as far distant as the Strait of Hormuz.

Foreign embassies in Baghdad have estimated that Iraq has somewhere between 200 and 1,000 Al-Husseini and Al Abbas missiles in reserve.

Meanwhile, Iraq's military command announced on successive days last week that its warplanes had bombed Iran's oil refinery and petrochemical complex at Shiraz, in southwestern Iran, and that other Iraqi jets had attacked three Iranian oil tankers in the Gulf.

These new attacks against Iran's oil economy, the Iraqi military command said, were "aimed at denying the Tehran regime oil revenues to prolong the aggression against Iraq."

Foreign Minister Tariq Aziz, in the first direct public reference to chemical weapons by an Iraqi official, also warned last week that Iraq has to repel "aggression" by calling on "all means, including the use of chemical weapons, against those who seek to occupy its territory."

Iraqi officials have stressed in private discussions that they consider the use of chemical weapons on their own territory against invading forces to be a legitimate, if drastic, defensive measure.

It is difficult to estimate the size of the chemical weapon stockpiles amassed by the warring nations. An Iraqi pilot shot down in March told reporters in Tehran that Iraq possessed a large quantity of chemical bombs at a special storage facility near Baghdad.

Western officials said that each side had the capability to produce large quantities of mustard gas, cyanide and phosgene from chemical agents readily available in the international market. The United States has sought through diplomatic channels to stop the sale to both countries of chemical agents, or "precursors" that could be used in the manufacture of battlefield weapons, according to a Western official in Baghdad.

The latest turn in hostilities in the Gulf War has alarmed U.S. and Western officials, who fear that a new arms race has been ignited that could escalate to new levels of violence against civilian populations as Iran seeks to achieve parity. "At a certain point, this could all come back to the Iraqis," one Western diplomat said.

Already this year, Western estimates indicate, several thousand civilians were killed during the six-week "war of the cities" that blocked in mid-April.

Blocks of buildings in the more densely packed neighborhoods of Tehran were pulverized by Iraqi missiles, and thousands of residents were incinerated by flying glass.

Baghdad, which has been hit by fewer than 50 missiles this year, suffered several devastating strikes. Hundreds and perhaps thousands of civilians belonging to Iraq's Kurdish minority also died in March when Iraq mounted a chemical attack on the town of Halabja in an area where Iranian and Kurdish guerrilla forces were advancing.

Government spokesmen can also point to the fact that although workers in six big enterprises struck and many others presented managers with pay demands, the nation as a whole did not rally behind either the workers' economic protests or the Solidarity trade union's call for pluralism.

Still, in the aftermath of the strikes, it was General Jaruzelski, more than Lech Walesa, the leader of Solidarity, who faced the most difficult prospect for the future. In many ways, the general seemed to be risking the same fate of Edward Giersek, Poland's Communist leader in the 1970s, who survived a rash of protests in 1976 but in doing so laid the seeds for his own downfall in a massive popular uprising four years later.

Like Mr. Giersek, General Jaruzelski has quieted workers with a mixture of bribery and force. Changes in tax regulations have allowed managers around the country to meet huge pay demands even as riot police broke up a nine-day

## Despite Solidarity's Loss at Gdansk, Jaruzelski's Political Gain Is Meager

By Jackson Diehl  
*Washington Post Service*

GDANSK, Poland — As an uneasy calm settled on Poland on Wednesday after 16 days of labor unrest, the government of General Wojciech Jaruzelski was left with the daunting task of picking up the pieces of its program for economic change and trying to rebuild its political credibility with a resentful, pessimistic nation.

When workers occupying the Lenin Shipyard were walked out of the yard Tuesday night, the Communist leadership could count as a victory its ability to end the nine-day strike, which became the central focus of the larger protest wave without either a direct police attack or major political concessions.

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Like Mr. Giersek, General Jaruzelski has quieted workers with a mixture of bribery and force. Changes in tax regulations have allowed managers around the country to meet huge pay demands even as riot police broke up a nine-day

steel mill strike in Krakow and choked off the occupied shipyard in Gdansk.

In the coming months, the government will have to cope with the consequences of that policy, which are almost sure to include rapid inflation, tougher treatment by the skeptical Western creditors holding Poland's \$40 billion debt, and a revitalized, more militant opposition.

To avoid the fate of Mr. Giersek and the other Communist leaders who preceded him, General Jaruzelski must take strong steps both to stabilize the economy and persuade average Poles that real reform, and not just price hikes, is under way, government officials concede. Many of the workers striking in the last weeks, including Mr. Walesa, have said that they strongly favor official reform plans announced last year but do not believe that General Jaruzelski is implementing them.

Government officials say the authorities are adopting just such reforms by moving to grant "special powers" to the council of ministers. The new provisions will, in effect, make Deputy Prime Minister Zdzislaw Sadowski, the non-Communist economic reform chief who is supposed to exercise the new powers, into a virtual dictator over the economy.

If Mr. Sadowski were to use the powers to aggressively push through stalled reforms, including moves to rid the country of wasteful heavy-industrial investments, cut subsidies, and expand private enterprise, the powers could serve to restart the reforms' momentum and win the government more support.

But skeptics say Mr. Sadowski,

as a nonparty academic, is unlikely to win those battles against entrenched Communist apparatchiks, and the powers are more likely to be wielded as a weapon against out-sized wage and price increases.

Here, too, the government may find that it is too weak to use its on-paper strength. Though stopping inflation and balancing Poland's shortage-riddled market requires a decrease in real incomes, any attempt to force austerity on workers will only invite another outbreak of unrest. The last two weeks have already shown that General Jaruzelski would rather grant pay increases than face down a strike.

Government officials acknowledge that they must find a way to win society's support for sacrifices. But Solidarity's plausible argument that only major political reforms, such as trade union pluralism, will convince Poles to rally behind the economic program continues to be rejected, largely because General Jaruzelski deeply fears a return to what he calls the "chaos and anarchy" of Solidarity's legal existence in 1981.

The result is that with or without special powers, General Jaruzelski's government will be hard pressed to avoid the paralysis that has steadily overtaken all of its previous grand announcements of "radical steps." The strikes have only made its long-standing political dilemma more acute, while radicalizing that part of society that joined in the protests.

Despite its nominal defeat in the shipyard, Solidarity's organization will likely be energized in the immediate aftermath of the arrest. The strikes and relatively vigorous accompanying protests in universities have served to consolidate under the union's wing a new generation of activist students and young workers.

**NEWS ANALYSIS**

inflation, tougher treatment by the skeptical Western creditors holding Poland's \$40 billion debt, and a revitalized, more militant opposition.

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## Shiites Gain In Fighting In Beirut

By Ihsan A. Hijazi  
*New York Times Service*

BEIRUT — Pro-Iranian Shiite fundamentalists appeared Wednesday to have gained the upper hand in Beirut's densely populated southern suburbs after six days of heavy fighting with their rivals in the Syrian-backed Amal militia.

Fighters of Hezbollah, the Party of God, gained the ground in renewed clashes after a brief lull in the violence Tuesday. A Hezbollah communiqué said headquarters of Amal in Burj al-Brajneh, one of the largest of seven suburban neighborhoods making up the 36-square-kilometer (14-square-mile) area, had been captured by the fundamentalists.

Security officials said hundreds of Hezbollah combatants had made more territorial gains and now were virtually in control of most of the area. Although a ceasefire is supposed to be in effect after Syrian and Iranian mediation, Amal, which is the larger faction, has been regrouping its ranks after bringing in additional reinforcements from southern Lebanon.

Police said 10 persons were killed and 28 wounded in battles Wednesday, which began at dawn and in which heavy field guns and tanks were used. The death toll since the violence flared Friday stands at about 150.

Hezbollah's success is seen as a victory for Iran and poses a challenge to Syria, which maintains 7,000 troops in other Moslem parts of Beirut. It may now be more difficult for the Syrians to consider sending their soldiers into the southern suburbs.

Beirut Radio, the state station now controlled by Amal, broke into its regular programs to announce that the Syrian Army is prepared to intervene to stop the fighting. The radio quoted the highest ranking Syrian officer in Lebanon, Brigadier General Otazi Kanaan, as saying that Syria had no alternative but to intervene.

With Hezbollah in control, the Beirut southern suburb could become an even stronger base for militants. clandestine organizations, which have taken responsibility for terrorist activity and for kidnaping Americans and other foreigners, are widely thought to be associated with Hezbollah, or Party of God.

## INF: Vision With Troubling Details

(Continued from Page 1)

the problem to have got so far out of hand.

"It's been bungled bad," said a senior White House official, frustrated with the administration's lobbying effort on the treaty. "It should not have gotten this far down the road without these questions being answered."

The official put particular blame on Mr. Shultz, arguing that he had been preoccupied with other foreign policy concerns in the Middle East and Panama and had not paid enough attention to the verification dispute brewing for weeks in technical talks with the Soviet Union.

Even the Senate's most vigilant arms control experts seemed to have learned of the problem only after it was made public in news reports at the end of April. They had been assured by the administration that the technical talks were making satisfactory progress.

The technical talks, however, have been led by Defense Department officials, not the State Department, and the decision to place defense officials in charge of verification was made by the National Security Council, which operates out of the White House.

It was also the White House, not the State Department, that initially irritated the Senate with statements seeking prompt approval of the treaty without amendments or conditions. And it was the White

House that provoked a major battle with the Senate leadership in a clumsily worded set of letters that sought to establish the administration position on what type of testimony senators could consider authoritative during their deliberations.

"When you do things in a rush, you make mistakes and have to do them twice," said Senator Sam Nunn of Georgia, the Democrat who is chairman of the Senate Armed Services Committee. He was expressing what has become a recurring theme among senators.

The very details now in dispute were the subject of a heated 11-hour negotiating session when the final touches were being put on the treaty in December.

With just two days to go before Mr. Reagan and Mr. Gorbachev were to sign the agreement in Washington, American negotiators found their Soviet counterparts balked at a demand that inspectors be allowed to look inside Soviet canisters big enough to hide rocket stages but too small to hide the SS-20 missiles that were to be eliminated.

Although the Soviet side eventually accepted the American position and the treaty was concluded, many of the particulars for verifying the treaty were left to technical discussions that the administration wanted completed in time for formal ratification ceremonies at the end of this month in Moscow.

## PHILBY: Soviet Spy Dies

(Continued from Page 1)

years in the top echelons of the intelligence establishment.

The Maclean-Burgess-Philby spy scandals severely damaged the exchange of intelligence information between London and Washington.

Mr. Philby had been under suspicion for 12 years, and his unmasking was a nightmare for British intelligence. It began when Mr. Maclean and Mr. Burgess defected to the Soviet Union and it reverberated into the 1980s with the disclosure that Anthony Blunt, another upper-class Englishman, had been revealed as a traitor and went unpunished.

When Mr. Philby defected, Mr. Blunt was given immunity from prosecution in exchange for information. He later became art adviser to Queen Elizabeth II.

Mr. Blunt died in 1983. Mr. Burgess and Mr. Maclean died in Moscow.

## DOONESBURY



**ING CROSSWORD**  
IN THE TRIBUNE SATURDAY, BEHIND NEWSPAPER'S CROSSWORD PAGE. ANSWERS WILL BE IN ALL WEEK.

## WORLD BRIEFS

### Danish Crisis Grows as Schluter Quits

COPENHAGEN (NYT) — Prime Minister Poul Schluter resigned Wednesday after failing to win a clear mandate for his pro-NATO military policies in the general election Tuesday.

The resignation, originally regarded as pro forma, set off unexpectedly intense parliamentary maneuvering that cast doubt on Mr. Schluter's future and boded further confusion over Denmark's relationship with the North Atlantic Treaty Organization.

Mr. Schluter, a Conservative who called the election as a referendum on Denmark's willingness to support NATO by allowing U.S. and British ships carrying nuclear weapons into its ports, initially said he had tendered a "temporary resignation" in preparation for forming a new government.

But in a surprise development, Queen Margrethe invited a parliamentary leader from the rival Social Democrats to chair discussions about who should lead the new government. The queen's action underscored the complications of parliamentary politics in a country where eight parties are represented in the 179-seat Folketing. Analysts said it could be some time before it is clear whether Mr. Schluter or one of his rivals will form the next government.

### West Bank Shops Are Forced to Shut

JERUSALEM (Reuters) — The Israeli Army forced shops on the West Bank to close Wednesday, retaliating for two days of strikes marking the start of the sixth month of a Palestinian rebellion against Israeli rule.

Soldiers drove through the cities and towns calling through loudspeakers to shop owners not to open until noon, residents said. They said soldiers had told them they must remain closed until midday for two weeks.

Leaders of the uprising in the occupied West Bank and Gaza Strip have allowed shops to open from 9 A.M. until noon, while the army has attempted to force them to close during those hours. An army spokesman said that he had not heard of the closings and that there was no army policy.

### Car Blast in Nicosia Kills 3, Hurts 19

NICOSIA (Reuters) — A car filled with explosives blew up in central Nicosia on Wednesday, killing three people and injuring 19 as it sped away from the Israeli Embassy, where guards had stopped it from parking.

The police said later they had arrested a 28-year-old Lebanese student, Omar Ahmad Hawilio, who owned the four-wheel-drive Mitsubishi Pajero containing the explosives. The Cyprus radio said Mr. Hawilio had fled the vehicle moments before it blew up.

The explosion killed the driver of the Mitsubishi, a Cypriot woman in a car behind it and a former Cypriot diplomat, police and government officials said.

### Belgrade Extends Wage-Price Freeze

BELGRADE (AP) — The Communist government failed to secure expected Western credits and delayed the end of a partial wage and price freeze due to be lifted May 15, a senior official said Wednesday.

Deputy Prime Minister Milos Milosavljevic told the Communist Party's Central Committee that international financial support was crucial to ending the six-month wage and price freeze imposed in November in an attempt to curb 170 percent inflation.

The Basel Bank for International Settlements has approved only half of an expected \$300 million bridge loan for Yugoslavia, Mr. Milosavljevic said. He said the bank's action "makes it impossible" to implement what the government bills as a new package of market-oriented economic reforms beginning with the lifting of the freeze on May 15. He added that he expected the rest of the loan to be raised in about 10 days during negotiations with some unidentified European governments and with the United States.

**For the Record**

An attempt by officers and soldiers in two military bases to overthrow the government of President Marco Vinicio Cerezo of Guatemala has been quashed, the Guatemalan Army announced Wednesday. (AP)

## TRAVEL UPDATE

### Sealink Tries to End Truck Blockade

LONDON (Reuters) — A British ferry company tried Wednesday to end a three-day truck blockade of English, French and Belgian ports by offering to carry only freight on some of its Channel crossings.

More than 600 trucks packed a 10-mile (16-kilometer) section of the M20 motorway near Britain's main Channel port of Dover in a protest by drivers against a 14-week seamen's strike that has disrupted ferry service to and from Europe.

Truck drivers, angry at the disruption to freight traffic, have also blockaded Ostend in Belgium and the French ports of Calais and Dunkirk. The Sealink ferry company appealed to them to end the blockade in return for a pledge to carry only freight on three of its ferries to and from Dover, Calais and Dunkirk in the next two days. There is only a limited passenger service on ferries to Calais and Ostend and ships were not accepting private vehicles.

Traffic of member airlines of the International Air Transport Association during the first quarter this year marked a 13-percent increase over last year, the association announced Wednesday. It said 41.5 million passengers were carried aboard international flights for a load factor of 64 percent, up 1 percent. (AP)

EUROPE JAPAN

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مكازم التجميل

# Noriega Steps Up Use of Repression, Opponents Assert

By James LeMoyné  
New York Times Service

PANAMA CITY — The military regime of General Manuel Antonio Noriega is regularly using sexual humiliation, threats, imprisonment, beatings and punitive fines to intimidate the general's opponents, according to human rights investigators, diplomats and opposition leaders.

Instead of showing signs of compromise, the critics of the government say, General Noriega is hardening his hold on power despite efforts by U.S. officials to persuade him to resign.

Unlike some other Central American governments that have murdered thousands of suspected opponents, the Panamanian military regime almost never kills its critics. In 11 months, there have been only three deaths attributed to political strife. But the repression, carried out by the army, which controls most of official Panama, has been effective in weakening and dispiriting General Noriega's opponents.

"He's brutal and very smart," said a member of the ruling Democratic Revolutionary Party who knows General Noriega well. "You have to realize that there is nothing he won't do if he feels it's in his interest."

Diplomats and opposition politicians say the general's actions put into question his willingness to leave power. Even if he resigns, the observers and opposition figures say, the general appears intent on breaking his opponents and leaving behind a military-run political machine dominated by his supporters.

"The violence that the general is using is highly effective, the critics say, because it destroys all but the most militant opponents without raising strong international protest or creating the hardened enemies that killings might spawn.

The general also is stacking key commands in the National Defense Forces, which he leads, with supporters that a diplomat called "a group of thugs loyal to Noriega."

A favorite tactic of the regime is to threaten male political prisoners with homosexual rape by common criminals, according to a leading human rights investigator and to several diplomats.

Women held in prisons are periodically stripped and searched by male soldiers, the diplomats and the human rights official said.

"Noriega is for all purposes an amoral man," the human rights investigator said. "His regime has a

fascination with the sexual humiliation of prisoners."

More than 40 beatings or arrests of Panamanians suspected of opposing the government were reported in Panama City in the last week. In one case, the 18-year-old daughter of a prominent businessman was arrested by soldiers, beaten, stripped and forced to crawl on the floor for several hours while singing a song praising the army, according to family friends. Two diplomats who investigated the case corroborated the account.

The army forced the young woman's father to pay \$10,000 to get her out of jail, an especially punishing fine at a time when little cash is available because of the economic crisis in Panama. Two days later, gunmen broke into the father's jewelry store, looted it and killed a private security guard.

Two other cases last week showed the orchestrated nature of the military regime's repression, which apparently is aimed at cutting off the leadership of the political opposition.

On Thursday, the police arrested Ivan Romero, the secretary-general of the opposition Christian Democratic Party. They stripped him, beat him and after holding him for eight hours expelled him from the country, according to party leaders.

There are other signs of a hardened military stand that appear intended as signals to Washington.

An air force pilot who defected from Panama recently told U.S. officials that he had flown tons of weapons from Cuba that were donated by President Fidel Castro to assist General Noriega. Panamanian soldiers at posts along the Panama Canal now carry Soviet AK-47 combat rifles instead of the U.S. weapons that they once used.



Jesse L. Jackson during campaign stop on the Flathead Indian Reservation in Montana.

# Jackson Hoping to Mold Party Platform

By David S. Gergen

WASHINGTON — Jesse L. Jackson, the Democratic Party's presidential nominee, will insist that the party platform committee "pledge" on cutting social programs and increasing taxes on the wealthy.

In a position statement for what promises to be a contentious campaign, Mr. Jackson said Tuesday that the platform committee should "pledge" to cut social programs and increase taxes on the wealthy.

Mr. Jackson's platform committee chairman, Walter Fauntroy, said Tuesday that the platform committee should "pledge" to cut social programs and increase taxes on the wealthy.

Mr. Fauntroy delivered the message from Mr. Jackson without any hint of an ultimatum. Both he and the platform committee chairman, Governor James J. Blanchard of Michigan, expressed optimism on a meeting of the minds.

This discussion appeared to shape the outline for the debate, that is expected in forthcoming committee sessions between Mr. Jackson's supporters and other party leaders, including backers of the presumed party nominee, Governor Michael S. Dukakis of Massachusetts.

national chairman, and other party officials.

"Every statement of principle ought to have an instructive example," Mr. Fauntroy said at the first hearing here of the party's platform committee. "We've got to be specific that we've got to raise taxes on those American 'who have benefited most from the Reagan tax breaks.'"

He added: "You can't talk about meeting human needs without the money."

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It was clear that Mr. Kirk will have no easy task engineering passage of the "brief and readable equivalent of an open letter" to American families that he has said he wants instead of another bulky platform "which Republicans quote to attack Democratic candi-

dates more frequently than Democratic candidates do to promote themselves."

Michael D. Barnes, a former congressman from Maryland, representing Mr. Dukakis, said the governor also believed the platform "can be a concise statement" of the values that all Democrats share and can "avoid listing the hopes of every group in America."

Kirk appointees, Dukakis supporters, elected officials and representatives of organized labor, all of whom now support the idea of a brief, thematic document, are expected to hold a majority on the drafting committee and the full platform committee.

# Dukakis Sweeps Votes In 2 Primary Contests

Computed by Our Staff From Dispatches

WASHINGTON — Governor Michael S. Dukakis has won sweeping victories over the Reverend Jesse L. Jackson in Democratic presidential primaries in West Virginia and Nebraska, strengthening his claim to the 1988 Democratic presidential nomination.

Mr. Dukakis won Nebraska by a vote ratio of more than 2 to 1 and West Virginia by a much wider margin in the primary elections on Tuesday.

The results, though expected, were another sign of the steep odds that Mr. Jackson faces in trying to stop the Massachusetts governor, widely regarded by Democrats as their party's certain nominee.

Meanwhile, on Wednesday, the former television evangelist, Pat Robertson, ended his campaign for the Republican presidential nomination and gave his support to Vice President George Bush.

"I am wholeheartedly endorsing the vice president for the job of president of the United States," Mr. Robertson said outside the White House after a meeting with Mr. Bush. He was Mr. Bush's sole remaining challenger for the Republican nomination.

The move came as President Ronald Reagan set the stage for his public endorsement of Mr. Bush on Wednesday night.

Mr. Reagan said Wednesday at the White House — with Mr. Bush nearby — "I just have a very brief announcement to make, and that is that I'll have something to say about the campaign tonight."

The president was to announce what everyone already knows at a Republican dinner Wednesday evening.

Since losing the Michigan caucuses in mid-March, Mr. Dukakis has lost only one important contest to Reverend Jackson, in the District of Columbia, while winning such major states as New York, Pennsylvania and Ohio.

Mr. Bush won the Republican

primaries in Nebraska and West Virginia on Tuesday.

But Nebraska Republicans gave a surprising one-fifth of their ballots to Senator Bob Dole of Kansas, even though Mr. Dole has dropped out of the contest.

Mr. Dukakis has now moved within striking distance of the 2,081 delegates needed to win the Democratic nomination. According to the latest Associated Press delegate count, Mr. Dukakis had 1,581 to Mr. Jackson's 942.

In West Virginia, Mr. Dukakis captured 251,670 votes, or 79 percent, to Mr. Jackson's 44,858 or 14 percent, with 99 percent of the precincts reporting. In Nebraska, Mr. Dukakis received 104,996 votes, or 63 percent to Mr. Jackson's 44,275 or 26 percent, with 99 percent of the precincts in.

Mr. Dukakis was winning all 37 of the delegates in West Virginia and 18 of the 25 in Nebraska.

Exit polls suggested Mr. Dukakis was beginning to make some inroads into Mr. Jackson's black support, which has been all but monolithic in contests to date. Only about 4 percent of West Virginia's voters are black, but about a third of them voted for Mr. Dukakis, ABC voter polls indicated.

(NYT, AP, Reuters)



# School Dropout Rate Falls for U.S. Blacks

New York Times Service

WASHINGTON — The U.S. Census Bureau reported a significant decline in the dropout rate for black high school students over a 10-year period.

The study showed that 17 percent of black 17-year-olds were dropouts in 1975, down from 27 percent in 1971, while the graduation rate increased, from 61 percent.

"People have been working very hard to get their kids into high school until graduation," said Rosalind Wiseman, a sociologist who conducted the study. "There's a strong effort to graduate kids, because a good job is a high school diploma."

Another factor, she said Tuesday, was that the unemployment rate keeps kids in school.

The Bureau of Labor Statistics reports that the unemployment rate for blacks 16 to 19 years old is 31.4 percent, compared with 14.1 percent for whites of that age. The overall black unemployment rate is 12.2 percent, compared with 4.6 percent for whites.

The encouraging news about the retention and graduation of black students was that it was part of a long-term trend, Ms. Bruno said.

"We've seen progress for more than the last 10 years," she said.

From 1975 to 1985, the white dropout rate for the same age group decreased by a percentage point, to 14 percent, while the white graduation rate remained at 81 percent.

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INTERNATIONAL Herald Tribune

A Treaty in Trouble

Soviet Backsliding

A thicket of problems suddenly threatens the U.S.-Soviet pact to withdraw medium-range nuclear missiles from Europe. The pact, a centerpiece of Reagan administration diplomacy, may die in the Senate if the latest dispute cannot be resolved by Secretary of State George Shultz and Foreign Minister Edward Shevardnadze in Geneva this week.

inspectors look anywhere within the designated sites to be monitored, or only at specific buildings? May the Russians veto use of cameras during inspection?

The 10 such issues outstanding do not greatly alter American ability to verify Soviet compliance with the agreement. Yet the Senate is amply justified in making a fuss. The complex treaty is rife with opportunities for differing interpretations. If the Russians are allowed to backslide even before the treaty is ratified, the stage will be set for even more corrosive disputes later on.

Now that the issue has become serious enough to threaten the treaty, the Kremlin has every incentive to revert to the agreed language. When and if it does so, it will let the White House's turn to satisfy other problems that the Senate has raised.

The Euroussie treaty has captious enemies in Washington as well as in Moscow. Some believe that it concedes too much to the Russians; others would deny the Reagan administration a diplomatic triumph. Those who now delay the treaty come from neither camp. They include the chairman and the vice chairman of the Senate's Select Committee on Intelligence—David Boren, a Democrat, and William Cohen, a Republican.

Both sides have too much to gain from the Euroussie pact to let it perish now, as they prepare for the Moscow summit meeting starting on May 29. Moscow and Washington will expose the treaty, and more, to side sites, as was agreed last January, or only into those large enough to hold an entire SS-20 missile, as Moscow now asserts? May

Clarity Is Worthwhile

The sky has darkened some over Reagan administration hopes of persuading the Senate to ratify the INF Treaty before the Moscow summit starts on May 29. Several points on verification had eluded agreement between Soviet and American experts. The administration evidently thought that they could be left to the Special Verification Commission that is to be set up under the provisions of the treaty. Several senators who are essentially friendly to the idea of the treaty believe that the testimony revealed that the Soviets were backing off from clear commitments earlier made on verification; they demanded that the matter be cleared up now, arguing among other things that the treaty would be vulnerable to defeat if it was not cleared up before the debate took place.

avoid the disappointment and embarrassment of heading off to Moscow without a ratified treaty in his pocket.

We hope that this will not be the case. But we also think that it is worth a good deal for the Senate to be clear about INF, in terms of making sure that this treaty is all that it's cracked up to be and of building confidence at home for subsequent negotiations.

It is important to understand, however, that no treaty, including this one, can be made foolproof if only the United States is sharp and insistent enough about it. It is true despite President Reagan's claim a while back that the clauses in any arms control agreement that he negotiates are going to be hard and fast. Even if the outstanding differences are negotiated away in Geneva, the most diligent and hard-nosed negotiation will leave effective monitoring dependent still on some degree of mutual good faith and good sense.

In his meetings with the Soviet foreign minister in Geneva this week, Secretary of State George Shultz is trying to resolve the problems. Success would still leave the administration locked in conflict with the Senate over the issue of whose interpretation of a treaty is binding. So it is at least possible that President Reagan will be unable to

—THE WASHINGTON POST.

Censorship in Jordan

Jordan has expelled an NBC correspondent and blocked two nationals, including a part-time correspondent of The Washington Post, from working for foreign news organizations. That government is trying to control the news for foreigners the way it routinely controls the news for Jordanians. Its sanctions are of a piece with Jordan television's rude refusal to broadcast its interview with Secretary of State George Shultz while he was in Amman on a peace shuttle last month. A small country that relies on a system of intricate internal and external balances, Jordan goes to considerable lengths to cultivate the foreign press. Its chief instrument is the Hussein interview. No leader in the world has received so many journalists—hundreds, perhaps thousands—and to such generally soothing effect. Last Saturday King Hussein was at it again, engaging in one of his patented positioning exercises intended to calm Palestinians, other Arabs and Americans at one stroke.

territory. The Palestinian uprising has provoked for him a double crisis, undermining his bid to reclaim the lone represent the West Bank, and raising fears that its militancy would touch Jordan's own (well policed) Palestinian majority.

His edginess is reflected in his equivocation on the Shultz-Mideast initiative. Fearing isolation among Arabs, he will not say yes, and fearing estrangement from the United States, he will not say no. Further, he worries lest the next Israeli government do to Jordan what he did to Lebanon in 1970—dump tens of thousands of hapless Palestinians across the border. The same edginess is reflected in the recent press sanctions.

They are a particularly bad idea. The Western support that King Hussein finds crucial is rendered on the premise that he is reasonable, moderate and open to Western persuasion. Events may have narrowed the lingering possibility that he would emerge as Israel's negotiating partner in a "Jordanian option," as Mr. Shultz seeks. Measures of censorship narrow what remains of common Jordanian-American ground.

—THE WASHINGTON POST.

Other Comment

Poland Needs Partnership

[Poles] are not prepared for reform under their current regime. The signs of decay are everywhere: not merely in real wages, eroded by inflation and the shortage of goods and services, but in health, housing and environmental deterioration. The government itself proclaims the urgent need for change, and has committed itself to perestroika. But the Communist system has so paralyzed Poland that any effective restructuring is going to lead to dislocation and suffering on a massive scale. The Polish regime does not have the legitimacy to do its people for selfless effort. The only way for it to gain such legitimacy, and create the consensus necessary for harsh economic measures to be taken to the opposition, and in particular Solidarity, into partnership.

they are likely to view attempts toward government-labor cooperation more favorably than in 1980. The present moment is the ally of the Polish people.

—Yomiuri Shimbun (Tokyo).

Inviting Nuclear Accidents

Until the superpowers become serious about the need to keep the raw materials of nuclear weapons out of the hands of governments—and terrorist groups—that have no business possessing them, progress on other arms control issues can only breed a false sense of security.

The United States and Japan have reached an agreement that will provide Japan with as much as 400 metric tons of plutonium—the equivalent of the combined nuclear arsenals of the United States and Soviet Union—over the next 30 years. The agreement will establish a dangerous shuttle system in which spent nuclear fuel and reprocessed plutonium will be flown back and forth between Japan and Western Europe. The shuttle system seems like a perfect plan for making nuclear accidents more likely.

—The St. Petersburg (Florida) Times.

OPINION A Polish Opportunity Is Going to Waste One Thing Just Leads To Another

By Wilsain Pfaff

PARIS — The renewed crisis in Poland takes place at the same time that a great opportunity is being lost. Behind the shabby facade of present-day Poland, amid poverty and deprivation, popular forces exist that might again be mobilized on the side of an intelligent and courageous leadership. And the international context has changed since the counter-revolution of 1981.

The recent strikes result from Poland's ravaged economic condition. It has the slowest growth and the highest inflation rate in Eastern Europe. Nearly half its industrial capacity is unused because of mismanagement or lack of parts. What it makes it cannot sell abroad. The country is polluted. Health standards are sinking toward those of the Third World.

To do something about this a government must have support from workers and from the public as a whole. General Wojciech Jaruzelski, the military dictator, sought such support when he called a referendum on economic reforms in November. He won a majority of the votes cast but not a majority of the eligible electorate. But he went ahead to impose price rises by as much as 200 percent on some goods, and 40 percent overall. Workers now are demanding substantial wage increases.

The recent unrest has demonstrated the government's failure to win the public's cooperation. The public may also have an unrealistic notion of what can be done in Poland's economic circumstances. The result is impasse. There is a limit on how far the government can coerce people.

Poland is often held to be a nation doomed to suffer, a martyr nation. It has undergone wars, partition, extinction as an independent state (from 1794 to 1918), invasions, genocide (Poles were second only to Jews in the Nazi death camps; a fifth of the population was killed, disproportionately from the governing and professional classes). Since 1945 there has been domination by a hereditary enemy.

It is true that modern Poland has seen calamities, but there is romanticism in the conventional view as well as Adam Zamoyski, author of a new history, "The Polish Way," argues. Poland has seen fewer disasters than many nations, and its history is one of political creativity and innovation.

Poland, for years the great power of east-central Europe, possessed a form of habeas corpus before Britain did. It had a constitutional, elected monarchy from the 14th century on, an advanced form of parliamentary government from the 13th century.

During the country's partitions in the 18th and 19th centuries, and again under Nazi occupation and Soviet

domination, the Poles created a nation within the nation, an underground nation in which vital institutions of civilization and society were spontaneously organized outside of, and in defiance of, the official organs of state.

Solidarity has been the latest instance of this, a spontaneous movement that proved powerful enough in 1980 to compel the government to negotiate with it, and eventually to cause the effective collapse of Communist government and party. It was then that the army took over.

General Jaruzelski today has a vision of what has to be done for Poland, but it is a limited one. He has done too much and not enough. He has conceded that events now are at a turning point, yet he refuses to deal with Solidarity because (as his official spokesman says) "the government will not talk to illegal structures and Solidarity is an illegal structure."

It is possible to feel some sympathy for the general, who has wished to preserve Poland's independence. Yet his government have wasted a golden opportunity to mobilize the creative forces of Poland.

General Jaruzelski took power when Polish society was alive with the desire for change and reform, when popular forces possessed sophisticated and responsible leaders, and when the public as a whole fully understood that limits existed beyond which change could not pro-

duce. Since then the situation in the Soviet Union has undergone a crucial change. Moscow has broken out of stagnation, acknowledges the scale of its own problems and of the whole socialist bloc and has demanded that its Warsaw Pact allies look for solutions of their own. Poland's government has wider possibilities for reform open to it than ever before.

It has failed to seize them. The only realistic possibility is the one Lech Walesa has identified: "economic pluralism, trade union pluralism and political pluralism." This carries risks, certainly, but no responsible alternatives exist. Someone has to lead Poland out of its economic and political impasse. On the sad evidence of the past seven years, General Jaruzelski is not the man to do it.

International Herald Tribune. © Los Angeles Times Syndicate.

The Pain of Change Is All the Greater

By Flora Lewis

NEW YORK — The strains of attempting a reform in Communist countries provoke reflections on old political and even deeper human issues. Change is necessary and inevitable, but it always brings pain. Victorian revolutions make subsequent change even harder, not only because they concentrate power beyond civil challenge, but also because they instill such an attachment to order, stability and predictability, and such a fear of risk.

A remarkable series in The New York Times on ordinary Soviet citizens are experiencing Mikhail Gorbachev's program illuminates the difficulties. Poland remains in an abrasive, debilitating deadlock because the people do not believe the government and the government does not want and does not know how to believe the people.

China is groping for a smoother way to effective development after two generations of bloody turmoil guided by a totalitarian vision. But it has destroyed both the old institutions and the new system of beliefs that provided assurance. As a 35-year-old film director, Chen Kaige, said recently: "The Chinese people took them by surprise. China is more open compared with before, and that is good. But now people can't decide what is right or wrong."

Ideology can be an irritant to the free-spirited, but it can also be a comfort to many. Mr. Chen, who has had problems with censorship, says boldly, "Freedom is something that is my own, not something the government can give me." But people learned to live with the myths of their commanded assumptions.

Thus even the dissident Soviet poet Joseph Brodsky, a Nobel Prize winner now living in New York, rises to a vigorous defense of the Soviet Union against mild charges of imperialism and colonialism from East Europeans. It was at an annual writers' conference in Lisbon. The Europeans from countries under Soviet domination talked about Soviet tanks, and the Russians were astounded, clinging to their notion of themselves as liberators and virtuous allies. "The concept of Central Europe is not known to Soviet citizens," Mr. Brodsky said tartly, supporting his compatriots from Moscow.

By simplifying and proclaiming ideology makes the world easier to understand. But a time comes when its

inability to deliver on its promises empties it of all but nostalgia for a purer, brighter vision.

The American historian Fritz Stern has called Marxism a "self-negating prophecy," and he sees Mr. Gorbachev as a kind of Martin Luther, challenging an old legitimacy corroded by failure and corruption. The Communist countries are having to grapple with what they made of Marxism. Its inherent values and misjudgments are made more evident. Obviously, Marx was right in noting the historic injustices committed by possessors of power. He was wrong in concluding that power is determined by property, and that wiping out property would wipe out injustice.

He wrote in the period of change from rural, basically feudal, to industrial society. Industry is achieved by organization at a much higher level — of labor, of the means of production, of decision-making. It implies one kind of concentration of power. It has always been known that conspired power is necessary for achievement by a society, but economic power is not the only kind.

Power is implicit in human relations. Man is a social animal. There is an urge to share, to nurture and protect, and also an urge to dominate. This may seem a contradiction, but it is two inextricable sides of the single human condition. There is a physical vulnerability that obliges people to band together for survival and well-being. And there is a capacity for ingenuity, for innovation and imagination that not only encourages but requires self-assertion.

The framers of the American Constitution focused on political power, not economic power, relying on people's self-conscious sense to use leverage for balance. They did not dream of removing power from human relations, as Marxist theory fantasizes, but made a point of separating, and dispersing it to counter abuse. The rule of law that they propounded assumes the existence of power — to enforce the law — but under rules that prevent its arbitrary use and excessive concentration. And it facilitates change.

Vision and ideals are human needs. But they must produce human benefit in the world we know. A disillusioned Mozambican Communist, commenting on the revival of the church in his ravaged country, said: "The difference is, we're expected to deliver our promises in this world. They don't have to."

The New York Times.

ASEAN: In Favor of U.S. Bases in the Philippines

By Noordin Sopiee

KUALA LUMPUR, Malaysia — Preliminary talks between Filipino and U.S. officials on the future of the Clark and Subic Bay bases began last month. The current agreement, which allows U.S. forces unhindered access to those two bases and other facilities, will expire in 1991. As the negotiations heat up, other actors will become involved, including Japan and members of the Association of South East Asian Nations.

Much is known about the U.S. and Philippine positions on the bases. Less is known about the positions of the Philippines' fellow ASEAN members: Brunei, Indonesia, Malaysia, Singapore and Thailand. Significantly, no leader in any of these countries has criticized the American facilities in the Philippines or asked for their removal.

The Philippine voice will of course be decisive in the councils of ASEAN on the question of the bases. If Manila wants to retain an American military presence, and if statements of support from its ASEAN partners for that presence are seen as necessary in determining the outcome, there should be no doubt that every government in ASEAN will provide support.

It is true that the existence of big-power military facilities in the region would be incompatible with the establishment of a "zone of peace, freedom and neutrality" in Southeast Asia. ASEAN is committed to achieving such a zone. But without the Americans at Clark and Subic Bay, ASEAN would lack the leverage to ensure that all big-power military installations are withdrawn simultaneously. Until we come close to

realizing such a zone, a continued U.S. military presence in the Philippines is probably a necessary prerequisite for bringing it into effect.

The Philippines has a unique perspective on the bases. It bears costs and burdens that are not shared by the other ASEAN members. Obviously, many aspects of the bases agreement must be changed to conform with Filipino aspirations, feelings and needs.

For Manila's five partners in ASEAN, there are sound reasons for supporting a continued U.S. presence under an improved agreement:

• The stationing of U.S. forces in the Philippines is linked to the presence of Soviet forces in Vietnam. So long as the Soviet military is at Cam Ranh Bay and Da Nang, there will need to be a U.S. presence at Clark and Subic Bay.

• Prime Minister Mahathir bin Mohamad of Malaysia said recently that he supported the American presence in the area "in order to balance the presence of the Russians."

• If facilities in the Philippines are denied to the United States, it could lead not only to a lessened U.S. military involvement in the region but also to a more comprehensive political, psychological and economic disengagement. In the difficult years ahead, ASEAN states will need to ensure maximum U.S. economic engagement.

• The comprehensive U.S. presence is valuable in counterbalancing the growing profiles of

Japan, China and the Soviet Union. A sound balance is in the interests of all ASEAN countries and probably of all the big powers.

• Testimony of the U.S.-Philippines bases agreement would be likely to erode the credibility of Washington's commitments to its treaty allies, especially Thailand. There is concern in ASEAN that Thailand might become too dependent on China if the Americans were seen to withdraw. It is in the interest of an ASEAN member for any Southeast Asian country to be too reliant on any outside power.

• It has been argued that foreign businessmen and investors, especially from Japan and the United States, feel more secure about the ASEAN community when U.S. military forces are stationed in the region.

• Any future bases agreement will be economically beneficial to the Philippines. Economic resilience is one of the keys to the country's political future and prosperity. What is good for Manila will generally be good for ASEAN.

The Association of South East Asian Nations can thus be expected to give strong endorsement to a continuation of the U.S. military presence at Clark and Subic Bay. The question is whether this will make a substantial difference to the critical battle, which will take place within the U.S.-Philippine equation.

The writer, director-general of the Malaysian Institute of Strategic and International Studies, contributed this comment to the International Herald Tribune.

Helen Suzman: Heart and Hope for South Africa

By Harry F. Oppenheimer

JOHANNESBURG — Whenever I am downhearted and depressed at the course of events in South Africa—and which of us can honestly say that our courage never flags or fails?—I have only to think of Helen Suzman, and of all she has done and endured and achieved over the last 35 years, to feel a resurgence of confidence, determination and faith.

I was a member of Parliament from 1948 to 1958 and remember very well the beginning of Helen Suzman's long career. It was impossible not to be impressed by her intellect, her grasp of economic issues and the lucidity of her exposition.

She made it abundantly clear that the realization of South Africa's economic potential simply could not be reconciled with the policy of apartheid—and that, I'm afraid, is a truth that after 35 years has still not been grasped by those at home and abroad who believe that apartheid can best be fought through the application of economic sanctions.

But Helen brought far more to our public life than a fine brain and a trained mind. For 14 long years as a sole Progressive in Parliament, she kept alive a proper respect for human dignity, a deep sympathy for human suffering and a hatred of all cruelty and injustice. She showed, too, that high courage and determination without which other qualities of heart and mind are of no avail, and without which nothing worthwhile is achieved.

She cried out against injustice. She denounced cruelty wherever she found it. She defended the right to freedom of expression for all South Africans, including those with whose views she profoundly disagreed. She vehemently opposed intolerance, whether of the right or left.

How sad it is that at a time when

the Nationalists are patently losing faith in themselves, when their policy of apartheid is in disorderly retreat, so many white liberals should on their side lose faith in the value of the struggle they have carried on so long and so bravely, and in the validity of white politics as a whole.

Over the generation and more that this government has been in power, it has obstinately followed a disastrous policy, involving great and calculated cruelty to black and brown South Africans. And who in the long battle against all this injustice, cruelty and folly has played a part to compare with Helen Suzman?

But at this time it may also be right to remind ourselves of the incalculable damage that this long period of Nationalist rule has done to white South Africans also.

The effects of injustice, cruelty and folly cannot be confined to blacks only. This government has made white South Africans acquainted for the first time with fear—the fear that springs from the knowledge that whether we like it or not we have become involved in an unjust system, a system that makes us the object of bitterness, resentment and hate.

We know that under Nationalist rule South Africa has been "trampling out the vintage where the grapes of wrath are stored." And that is why so many of our best young people are leaving the country and why many more are contemplating doing so.

And just as important, perhaps even more important, we white South Africans know that we have lost our repu-

tion in the world—that we have been deprived of our good name.

Can our young people even remember a time when South Africa's reputation stood high in the world? A time when our soldiers were regarded as honored and trusted allies in the defense of freedom?

A time when a South African passport took you without question anywhere in the civilized world?

A time when South African athletes were universally welcome to compete openly under their own flag? When South African scientists and men of letters were received with honor everywhere in the academic world? When businessmen found it an advantage and not a disadvantage to call themselves South Africans when competing in world markets?

There is no South African today, irrespective of race and color, who has not been damaged by this Nationalist government. Today every South African who travels abroad, even if he is not prepared to condemn his country, is at least forced to apologize for her.

This is no little matter for us who want to be able to feel proud of our country. But here again, as in so much else, we can look to Helen Suzman and draw comfort.

Here is one South African known around the world, a great international figure, for whom none of us has to apologize. Here is the living proof that the struggle for a just society in South Africa is not a lost cause. Helen is certainly an idealist, but a very practical sort of idealist. She is not one of

One Thing Just Leads To Another

By Richard W. Bulliet

NEW YORK — The wind is blowing again across the marsh grass of Middle East politics. Patterns form and disappear deceptively. Only by intuition and experience can one tell where there is solid ground or quagmire. Beneath it all lies the bedrock of Israel and of the Islamic movement.

A distinguished British diplomat with unsurpassed Middle East credentials once prefaced a talk thus: Had he predicted in 1970 that within a decade oil prices would skyrocket, the shah would fall, Lebanon would erupt, Egypt and Israel would shake hands and Islam would become the region's most feared political force, he would have been dismissed from Her Majesty's service for reckless incompetence.

But every sober and responsible prediction to the contrary was OBE—overaken by events. Being overaken by events is the norm in 20th century Middle Eastern history.

Too many variables, too much indeterminacy, too much uncertainty, Middle East politics is like a three-dimensional pool game in a weightless environment.

The Iran-contra affair embarrassed Saudi Arabia and raised suspicions of American inconsistency. So when Iranian pilgrims drew their knives in Mecca, the Saudis were more inclined than they would otherwise have been to respond in a confrontational manner. Iran reciprocated with fire-breathing words for Saudi Arabia and Kuwait.

Scrambling to reassert its lost innocence, the United States agreed to escort Kuwaiti tankers and thus raised the temperature of the Gulf with the naval buildup that followed the attack on the Kuwaiti Strait. Heightened confrontation and Saudi fingers led to an Arab summit meeting at which opposition to Iran was placed on the front burner and the gas was turned off on the Palestinian issue.

In response came the uprising on the West Bank and in Gaza. And in the fifth month of unremitting violence came three more events: the hijacking of a Kuwait Airways flight from Bangkok, an assassination in Tunis, a violent naval exchange in the Gulf. How are they interconnected?

Ever willing to believe the worst of Iran, Americans were likely to applaud the attacks on Iranian targets in the Gulf even though those attacks were incommensurate with the isolated mine explosion that tore a hole in the bottom of an American vessel. The ball has been smashed back into the Iranian court and there, as in the past, it will probably stay there.

The perpetrators of the Kuwait hijacking reinforced world horror at terrorism just as the world was pressing Israel to relax its vis-a-vis the Palestine Liberation Organization. Resolution of the Israeli-Palestinian conflict is not in everyone's interest. Israel took the opportunity offered by the hijacking to carry out an assassination that could affect the political stability of the PLO and thus outflank the West Bank and Gaza demonstrators.

The inclination of rational observers is to search for a civilized resolution of the Israeli-Palestinian dilemma, to urge all countries to maintain a steadfast front in the face of terrorism, to exert measured pressure to keep the Gulf situation from getting out of control and to work for a cessation of the carnage on the Iran-Iraq war front. But this assumes that there are discrete crises that can be considered individually. They are not. Everything in Middle East politics is interconnected. Every plausible projection of a resolution of conflict is predictably overtaken by unpredictable events.

Intuition and experience suggest but do not fully reveal the firm ground beneath the summer of the warring grass. The Gulf situation remains a bomb without a detonator, the Iranians will absorb U.S. punishment—so little compared to what they fear from the Iraqis—and let American hawks subsidize Israel and the PLO, barring the death of Yasser Arafat, will doggedly persist in their mutual nonrecognition. Terrorists, acting radically and with at most only tenuous authorization from sponsoring governments, will continue to attempt to disrupt all movement toward order.

In the face of such disorder, who can reliably counsel conciliation and sacrifice for future gain? Solidarity such a situation lies with the Israeli right, plausibly arguing that anything offered now will be irrevocably lost, and with the Moslem activists, dependent on the growing perception that they are deserting after the failure of secular nationalist regimes and their imported Western institutions.

The writer is a professor of history and director of the Middle East Institute at Columbia University. He contributed this comment to the Los Angeles Times.

100, 75 AND 50 YEARS AGO

1888: Copyright Bill

NEW YORK — The New York papers rejoice over the prospect of the passing of the Copyright Bill. The Times says: "The Bill has serious defects but also the supreme merit that it makes a conditional recognition of the rights of literary property, and provides a certain degree of protection for such property for foreign authors, which will also be accorded to our own." The Evening Post says: "It is an acknowledgment of the right of foreigners to the enjoyment of literary property on American soil."

1913: War Refugees

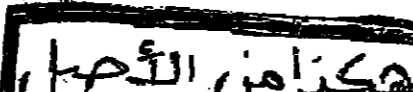
ADA-BAZAR, Asiatic Turkey — I have come from Broussa, visiting the villages around the head of the Gulf of Nicomedia—a country which the railway does not yet penetrate. Everywhere there are refugees from Macedonia and Thrace, most of them destitute. The greater portion of them are without men, so have no means of

helping themselves. The Government is doing nothing for them, and in many places, having come among people as poor as themselves, they are starving. It is here, rather than on the battlefield, that one feels most the suffering of the Balkan War.

1938: Brazil Revolt Fails

RIO DE JANEIRO — President Getulio Vargas led a government counter-attack which yesterday morning [May 11] routed an attempted Fascist coup against the Brazil regime after nearly six hours of fighting, in which it is feared that 50 may have been killed. Over 500 rebels were rounded up. The revolt swung into action shortly after midnight yesterday, striking first at the presidential palace. Word of the revolt was spread to loyal police and army detachments, who rushed to the palace and dispersed the rebels. The rebels had simultaneously struck at the Ministry of Marine and other sites. One by one these detachments were routed.

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OPINION

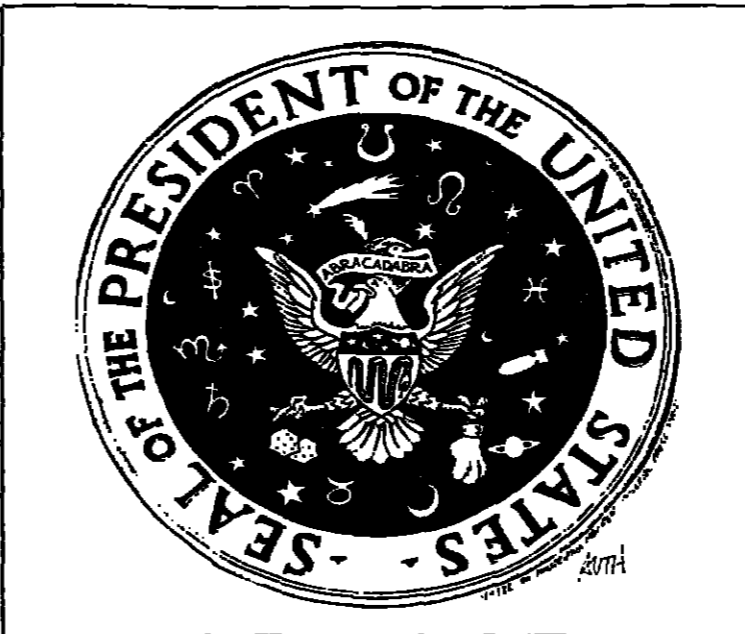
Those Who Despise Should Stay Away

By George Will

WASHINGTON — The words a skeptic wanted carved on churches — "Important If True" — should be stamped on the book in which Donald Regan says that America already has its first truthfulness and she was meant to him. The truthfulness of the book is hard to gauge but impossible to assume. In Mr. Regan, the vanity of the bully is now mixed with the bitterness of humiliation. Furthermore, authors of kiss-and-tell books are dishonorable. A necessary condition of government is a climate of candor in inner councils — strong convictions bravely expressed. (Mr. Regan reportedly was as toadying around President Reagan as he was overbearing around subordinates.) Candor becomes around government becomes an incubator for memoirists who attend meetings with book contracts in mind. Confidentiality is central to government's ethic of collegiality. The violation of that ethic by David Stockman, Michael Deaver, Larry Speakes and now Donald Regan may spring from a fear of conservatism. Many conservatives despise government, and perhaps for that reason disregard civilities suitable to its functioning. People who despise government should not be entrusted with it. Important kinds of public spiritedness are foreign to them. You can identify them — too late —

when they produce memoirs featuring personality conflicts and score-settling. Mr. Regan's book, although basically an act of spite, contains material that is important — if true. Some is about astrology. Some is about Mr. Regan's lassitude. The latter is the interesting aspect of Mr. Regan's assertion that Nancy Reagan is a continuing independent power in this administration. Mr. Regan, who once announced that women do not want to trouble their pretty little heads with complex topics like throw-weight, is complaining, true to form, that Mrs. Reagan has opinions "far out of her proper area of competence." His competence evidently extends to defining such proprieties. Mrs. Reagan's most important reported interventions have concerned personnel, particularly in expediting the departure from the administration of Labor Secretary Ray Donovan, CIA Director William Casey and Mr. Regan. She was thinking (perhaps more coldly than some people find suitable in a woman) of the welfare of her husband's administration. And her political judgment was correct. Nothing more annoys Washington than a person who is prematurely right, meaning right in advance of the herd. The reported resort to astrology in the White House has occasioned much gibberish. It is not funny. Astrological gibberish, which means astrology generally, has no place in a newspaper, let alone in government. Unlike comics, which are part of a newspaper's harmless pleasure and make no truth claims, astrology is a fraud. The idea that it gets a hearing in government is distasteful. Mr. Regan claims that astrological considerations influenced only the timing, not the nature, of presidential actions. That is too much, but not much. Mr. Regan claims that his genius for running things was impeded by Mrs. Reagan. But remember how he boasted of his comprehensive supervision of things. He boasted, that is, until the Tower commission agreed with his boast while disparaging his results. Mr. Regan, whose presence in the White House was evidence of Mr. Regan's often frivolous approach to governance, revelled in the power he enjoyed because of that frivolousness. But Mr. Regan adds little to the lore about Mrs. Reagan's lassitude, such as that on pages 381 and 382 of Hedrick Smith's "The Power Game: How Washington Works." In 1985, in a radio interview by telephone from the ranch, President Reagan said something preposterous about South Africa: "They have eliminated the segregation that we once had in our own country." Mr. Smith quotes Mr. Deaver: "You never let Ronald Reagan do an interview from his ranch. He's so much the product of his environment. ... He's probably dreaming about riding his horse ... He should be standing up ... The way he thinks changes when he sits

down ... He's too relaxed when he's sitting. He's not careful. He's conversational, not presidential." If Mr. Regan is such a product of his environment, he should have taken the trouble to stock his environment with larger, better people than Mr. Deaver and Mr. Regan. Mr. Regan's book is a condescending punishment for Mr. Regan, punishment for the unseriousness that he displayed when Mr. Regan, then Treasury secretary, and James Baker, then chief of staff, decided to swap jobs. Presented with the swap, the president was, writes Mr. Regan, "almost incognito." Mr. Regan did not know Don Regan when he brought him to Washington in 1980. In a March 11, 1981, note to himself Mr. Regan wrote, "To this day I have never had so much as one minute alone with Ronald Reagan!" When Mr. Regan left the Treasury, that still was true, so the president did not know him much better when the swap occurred. Mr. Regan knows Mr. Regan now. Washington Post Writers Group.



Astrology in the White House Isn't Funny

AGLIB view of the matter holds that the First Family's faith in astrology is shared by many millions of fellow Americans. But the available evidence suggests that this isn't so, and that Mr. Regan's handlers accurately perceived that the American public would not care for horoscopes in presidential affairs. Shortly before the Donald Regan revelations came out, one of the federal government's own agencies, the National Science Foundation, issued its biennial report on the state of science, "Science Indicators 1987," which includes an opinion survey on topics in and around science, among them attitudes to astrology. As if anticipating Nancy Reagan's reliance on astrology, the survey, conducted in 1985, asked 2,005 adults: "Do you sometimes decide to do or not do something because your astrological signs for the day are favorable or unfavorable?"

No was the answer from 88 percent; 8 percent said yes. The survey also found a declining interest in astrology reports, with 15 percent of those questioned in 1985 saying that they read them daily or often, compared with 21 percent in 1979. Unlike the president, the general public overwhelmingly prefers methods other than astrology for making decisions. The White House's insistence that astrology was confined to scheduling of speeches and announcements invites skepticism. In his 1965 biography ("Where's the Rest of Me?") Mr. Regan wrote that he and his wife regularly followed a newspaper astrologer, the late Carroll Righter, "to see what he has to say about people of our respective birth signs." The scheduling of Mr. Regan's swearing-in as governor of California after his election in 1966 has been linked to astrological advice — something he de-

nies. But given Mr. Regan's long-standing interest in astrology, and the White House acknowledgment that he has relied on it for some purposes, what is the basis for confidence that he has not relied on this crackpot pseudoscience for others? The spectacle of astrology in the White House — governing center of the world's greatest scientific and military power — is so appalling that it defies understanding and provides grounds for great fright. The easiest response is to laugh it off, and to indulge in wisecracks about civil service ratings for horoscope makers and palm readers and whether Mr. Regan asked Mikhail Gorbachev for his sign. A contagious good cheer is the hallmark of this presidency, even where the most dismal matters are concerned. This time, it isn't funny. It's plain scary. — Science writer Daniel S. Greenberg in a syndicated column.

Sanguine Delegation

THE common denominator linking this administration's serious memoirists (Alexander Haig and David Stockman) with the frivolous ones (Michael Deaver, Larry Speakes and now Donald Regan) is this: All profess themselves appalled (in retrospect) by the president's easygoing passivity. But what these belatedly appalled lieutenant despise as passivity, the president sees as delegation. He trusts deputies to execute the broad lines of policy he reads so eloquently from the Tele-Prompter. It hasn't exactly worked out that way, but that's the theory. Unfortunately, and this has been the chief administrative failing of the Reagan presidency, delegation and passivity are not the same. The first demands systematic review and accountability, and that has been wholly lacking. But why does Ronald Reagan mistake passivity for delegation, and fantasy for accomplishment? Gail Sheehy's new book, "Character," notes that adults whose childhood was darkened, as Mr. Reagan's was, by the presence of an unreliable, alcoholic parent often become dreamers and develop a resolute resistance to the dark side of things. The Sheehy thesis requires some patience with psychobabble, but there is something in it. It certainly explains more about Mr. Regan's easy-rider management style than many of the usual alternatives: laziness, for instance, or the "amiable dunce" theory. — Columnist Edwin M. Yoder Jr.

LETTERS TO THE EDITOR

In Praise of a Physicist

Sometimes a vision of humanity as something other than a global infection seems difficult to sustain. But your feature (April 22) on Stephen Hawking, the crippled theoretical physicist, is a reminder that excellence is attainable, that hardship is simply an obstacle and not a ready excuse for failure, and that the human spirit need not wallow in mindless terrorism and fear of the unknown. STEVE MCGILL, New York.

Voting in State Elections

Sherry Buchanan's column "Overseas Voters and Fear of Local Taxes" (Living Abroad, April 26) is illuminating, but leaves the reader with the impression that all Americans overseas can vote in state and local elections. The Overseas Voting Rights Act of 1975 clearly states that Americans resident overseas can vote only in federal elections. The only overseas Americans who can vote for their state and local officials are voters who have maintained their state-residence and hence would be subject to state and local taxes. This is not true of the bulk of Americans living abroad. By virtue of their overseas residence status, they do not have to fear liability for state or local taxes for exercising their right to vote for president and Congress in November. JOAN LUKE HILLS, Chairman, Republicans Abroad/Italy, Rome.

To Whoever's Listening

In "The Day Gridlock Went Terminate" (Opinion, May 3), William Safire's

A Day at the Races

By Dave Barry

MIAMI — Recently, as a result of some unforeseeable beers, I fell behind on my work. Realizing that I needed to get caught up quickly, I decided to employ a time-management technique recommended by efficiency experts everywhere: I went to the horse races. I went with a veteran journalist, Dick Evans, one of the select few people in newspaper history ever to have simultaneously held the positions of Bowling Writer and Religion Editor. Needless to say, he was known as the Holy Roller. "I did this column, called 'A Stranger Goes

hattan Project, devoted to figuring out what a group of superbly conditioned, painstakingly trained and, above all, thunderingly stupid horses are going to do. And you just never know. I used to work at a newspaper called The Daily Local News where the professional handicapper, a man named Francis Mood, once picked a horse to win — I think it was his Pick of the Day — only this horse threw its rider, leaped the fence, ran into the decorative infield lake, got stuck in the mud and drowned. The Pick of the Day! Drowned! As Francis Mood eloquently put it: "(Very bad word) horse."

MEANWHILE

to Church," where I was supposed to go to a different church every Sunday and do a critique of the sermon. "Dick recalls, "Naturally all my critiques came out that it was great."

So we can see that Dick is no fool, which is probably why he is now the Miami Herald's racing writer, which is definitely the best job in the world. In the middle of the day Dick picks up his briefcase and walks out of the office, looking like a regular civilian on his way to engage in some responsible business activity involving his Accounts Payable, only instead he goes to the track. The track is a wonderful place. It is at the extreme opposite end of the life-style spectrum from the repressed little world depicted in those glossy magazine advertisements for Ralph Lauren clothing, the ones featuring old-money mega-WASPs in dark natural-fiber suits and slicked-back hair sitting on uncomfortable antique furniture and engaging in traditional WASP parlor games such as Name That Debutante. At the track, the height of fashion is to wear a shirt on which all the ink marks are the same color.

At the track, you can smoke a humongous spit-covered cigar and talk openly to yourself, and nobody notices. Also you can immediately get into an earnest and sincere conversation with anybody, just by pointing to your program and saying, "Whaddya think this (very bad word) horse here?"

At the track, of course, naked greed is socially acceptable. At the track, the odds are less than one in 1,650,000 that anybody will mention Michael Dukakis. And you never know whom you'll meet. At the Calder track outside Miami, Dick introduced me to an elevator operator named Vic Leibowitz, who happens to be the older brother of singer Steve Lawrence. Really, Vic has fond childhood recollections of taking little Steve to singing lessons. "I'd say, come on, you little (very bad word), let's go get some lessons." Vic fondly recalls.

But the best thing about the track is that you can join with thousands of other people in an intense and frenzied mental effort comparable to the Man-

I can't say I did much better, though I did pick one winning horse, using a scientific theory of handicapping explained to me by a woman named Valerie. She was part of the crowd that gathers in the saddling area to examine the horses closely, looking for little tip-offs such as that a specific horse looks depressed, or appears to have an inflamed hurlong, or doesn't have the total recommended number of legs or whatever. "My whole strategy," Valerie explained, "is if the horse takes a dump on the way out, that's the one."

This made sense, so I watched closely, and sure enough, the No. 3 horse did a No. 2, and I bet him, and he won. The only winner I had that day.

I usually bet by the Name Method. For example, in the sixth race I bet the last of my allotted betting money on the 10 horse, a 25-to-1 shot named Medical Convention. My theory was that this horse was probably owned by doctors with absolutely no need for additional money, and therefore it would win.

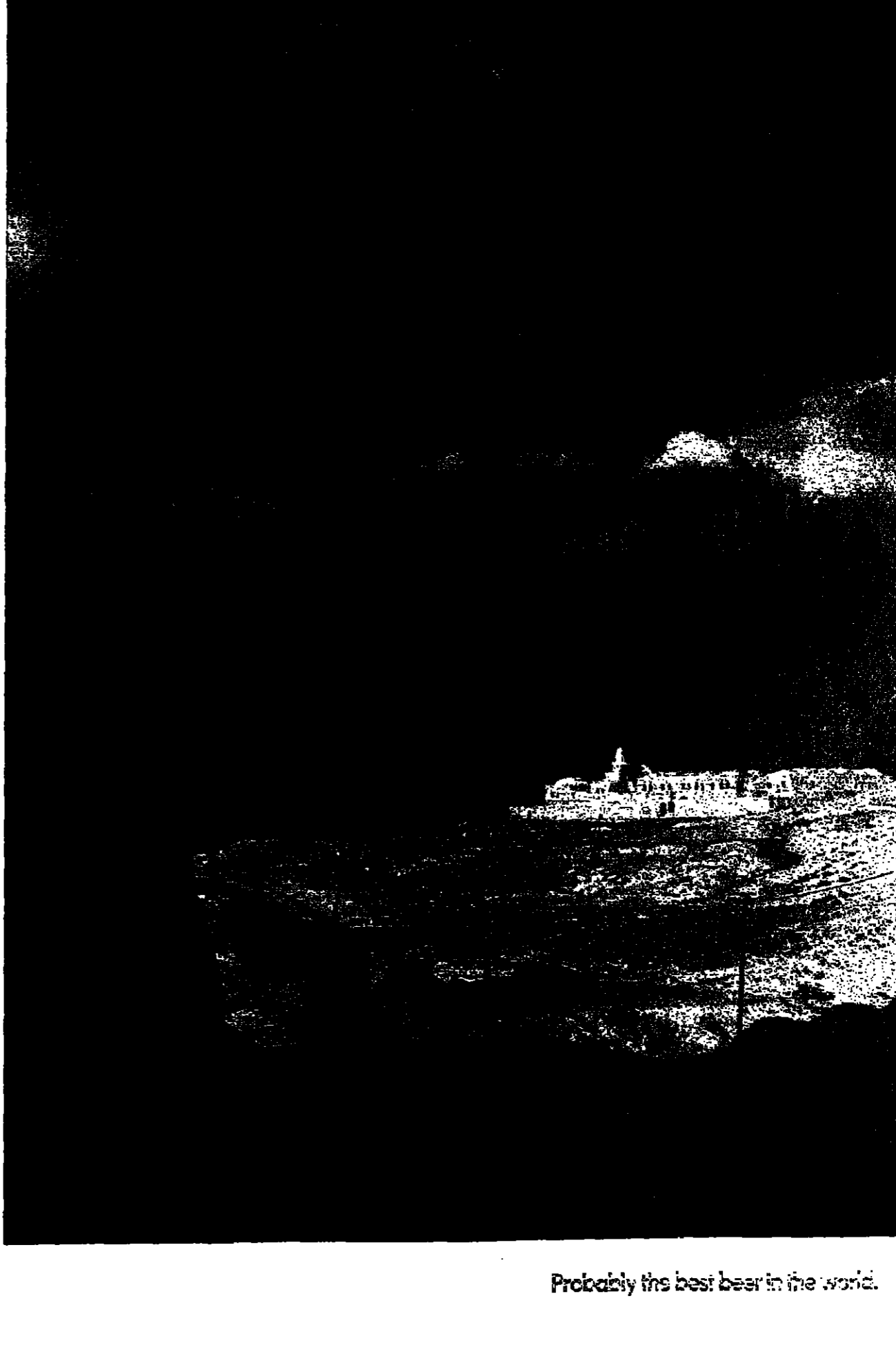
While I was waiting for the race to start, a man sat down next to me, and it turned out that he had bet \$40 on Medical Convention to win. Thus we had a common interest, which we explored as follows: Him: Oh, the 10, definitely. Me: Yeah. Him: No question. The 10. Has to! Has to win, the 10! Definitely! Me: Yeah. Him: I'm tellin' ya. Definitely. This 10 horse. I'm never gonna work again. Me: No? Him: Of course I don't work now.

Of course, Medical Convention came in about 38th, prompting me to reluctantly leave the track and return to the world of Accounts Payable, and my new friend to wander off toward the betting window, already deeply committed to a new horse. I had to envy him. Definitely.

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International Committee for the Safeguard of Venezia and the Great Wall THE RETURN OF MARCO POLO Beijing June 2-6 1988 A few places are still available for this extraordinary weekend in aid of two of mankind's greatest achievements



Probably the best beer in the world.

# Singapore Assails U.S. Move on Envoy

By Michael Richardson  
*International Herald Tribune*

SINGAPORE — Reacting to what it calls growing foreign intervention in its internal affairs, Singapore branded as "childish" on Wednesday a U.S. demand for the recall of a Singaporean diplomat based in Washington.

Singapore also rejected as "unwarranted interference" an expression of concern by the Australian government over treatment of political detainees in Singapore.

Since April 19, Singaporean authorities have re-arrested eight former detainees and two of their lawyers, Patrick Seong and Francis T. Seow.

The arrests were made under the Internal Security Act, which permits detention without trial of suspected subversives.

The eight were re-arrested the day after they issued a statement denying that they were Marxists and claiming that during interrogation they had been forced to make confessions under duress and prolonged psychological pressure.

They were among 22 persons detained last year for alleged involvement in a Marxist conspiracy to subvert the government.

Analysts said that the U.S. State Department's rejection Tuesday of the reasons given for the forced

removal from Singapore of a U.S. diplomat had challenged Singapore to prove its case. The government released further details of what it said was official U.S. involvement in promoting a stronger political opposition in Singapore.

The State Department also announced that the United States had asked Singapore to recall Robert H.K. Chua, a first secretary at the Singaporean Embassy in Washington. No reason was given, but a Singaporean official called the move retaliatory.

In a statement Saturday, Singapore said that it had requested the recall of Mason Hendrickson, first secretary at the U.S. Embassy, because he had encouraged lawyers to run for office against government candidates in general elections expected later this year. The government also said Mr. Hendrickson had suggested that financial support would not be a problem.

It was alleged that Mr. Hendrickson had urged both Mr. Seong and Mr. Seow to run in the elections.

The United States has agreed to withdraw Mr. Hendrickson, but denies that he acted improperly.

The published accusation against the diplomat relied heavily on a sworn statement made by Mr. Seong after he was detained and on

information from Singapore's Internal Security Department.

But Western diplomats who have followed the affair said the government had not established a credible case against Mr. Hendrickson.

These sources, who asked not to be identified, said the government was trying to intimidate potentially dangerous opponents and rally the public against foreign interference.

While Singapore has good relations with both the United States and Australia, Singaporean officials have said recently that foreign powers, Western as well as Communist, constantly are searching for ways to exert influence over small countries such as Singapore.

In its statement Saturday, Singapore said that two visiting State Department officials, one of them "very senior," had taken part in meetings with anti-government lawyers arranged by Mr. Hendrickson and "apparently approved of his activities."

In a press release Sunday, Singapore said that if "these facts" were disputed, "the government will prove them, however discomfiting the exercise may be."

In Washington on Tuesday, Charles E. Redman, a State Department spokesman, said Singapore's allegations were "totally

without foundation and we must categorically reject them."

Asked whether Mr. Hendrickson had urged people he met to oppose the Singaporean government, Mr. Redman said that Mr. Hendrickson's activities in Singapore were "entirely in keeping with normal diplomatic practice and his responsibilities as an officer of the Foreign Service of the United States."

At a protest rally of several thousand unionists in Singapore on Wednesday, Ong Teng Cheong, a deputy prime minister, said Mr. Chua was ordered out in retaliation for Mr. Hendrickson's removal.

Mr. Ong, secretary-general of the National Trades Union Congress, described the U.S. reaction as "childish" and "unbecoming of a superpower."

But a statement issued Wednesday by the Singaporean government appeared to adopt a more conciliatory tone.

Singapore, it said, "wants to get this issue over with by completing the investigations, for it shares with the U.S. government the desire to put this unfortunate matter behind us."

Singapore agreed to recall Mr. Chua "with deep regret." His withdrawal was "a sacrifice to the honour proper of the United States," the government added.

## ASIAN TOPICS

### Shift in School Year Under Study in Japan

Japan's Education Ministry is carefully considering whether to change the school year to a September-to-June schedule, which would bring it more in line with other industrialized countries, Patrick L. Smith of the International Herald Tribune reports from Tokyo. A ministry committee recommended in August that the school year be changed. Now a 12-member research committee, representing both education and business, will make a two-year study, including a public opinion survey.

At present, the Japanese school year begins in April, putting the summer right in the middle of it. There is a 40-day summer vacation in July and August and a winter break in December. This system has remained virtually unchanged since the Meiji era, 1868-1912. But a shift to an autumn date would ease student exchanges with other countries and help in the reintegration of the growing number of Japanese students who study abroad and return home. Until recently, such returnees were often segregated in separate schools.

The idea has met opposition within the bureaucracy. Opponents in the Education Ministry object to the estimated 100 billion yen (about \$800 million) that the change would cost.

About 175,000 Filipino women work overseas, nearly 40 percent of the country's contract workers abroad. According to some statistics, the 81,000 women working as domestic helpers send home \$60 million to \$100 million in foreign exchange earnings each year. These remittances are a major source of foreign exchange, but the women also send home tales of exploitation that include harsh conditions, long hours, underpayment, physical abuse and sexual harassment.

In January, the government said it would stop issuing permits to women to work abroad until individual countries guaranteed their protection from abuse. Tomas Achacoso, who heads the government's overseas employment agency, has visited several countries that employ large numbers of Filipino women. His mission is to work out agreements protecting their rights.

### Manila Reaches Out To Women Abroad

The Philippines is seeking to regulate what is described here as one of its most successful businesses, the export of women to work as household helpers, hospital and hotel workers and entertainers. Seth Mydans of The New York Times reports from Manila. President Corason C. Aquino calls them "heroes of our country's economy."



AN INDONESIAN PET FOR REAGAN — This Komodo dragon, a reptile unchanged since prehistoric times, is being prepared for delivery to the United States as a gift from President Suharto to President Ronald Reagan. This giant lizard is found only on Komodo Island between Sumbawa and Flores islands in the Lesser Sondas about 1,120 miles southeast of Jakarta. The lizard can grow almost 10 feet long, weigh up to 300 pounds, run as fast as a dog and live to 100.

### Short Takes

More than 65,000 Chinese from Taiwan have visited the mainland since the Kuomintang government in Taipei relaxed a 38-year ban in October on travel to the People's Republic of China, the Interior Ministry in Taipei has announced. It said an additional 75,000 people have received approval for visiting the mainland via a third country. Apart from family reunions, other contacts are still banned. But after the July congress of the Kuomintang, the government in Taipei is expected to announce a further easing of contacts.

A battle against the voracious jaws of thorns starfish is being waged by the Malaysian state of Sabah on the island of Borneo. The starfish are destroying coral reefs, a major tourist attraction of Sabah's offshore islands, a home to marine life essential to 17,000 fishermen and a natural barrier to erosion and storms. The starfish, up to 24 inches (60 centimeters) in diameter, eat the living part of the corals, called polyps. Although the starfish can be speared or snared, the most effective weapon against them is their natural enemy, the giant sea slug, or triton. The government is stepping up patrols to stop poaching of the snails by Filipino refugees, who eat them.

Police in the Indian state of Orissa, one of the least developed in the country, use carrier pigeons to keep their messages secure. "The service is intended to keep the contents of the message more secret and reliable," said Communications Minister Vasant Sathe. He had been asked in Parliament about reports that pigeons were being used in the days of express deliveries and reliable postal service.

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# Seoul Urged to Boost Aid for U.S. Forces

By Peter Maass  
*Washington Post Service*

SEOUL — The Reagan administration, facing domestic pressure to reduce military outlays, called on South Korea during high-level talks on Wednesday to increase its financial and logistical support for U.S. forces based in the divided Korean Peninsula.

Initial reaction to the U.S. request, made in a meeting Wednesday between Deputy Secretary of Defense William H. Taft 4th and the South Korean foreign and defense ministers, was favorable, officials said.

The final South Korean response is to come when Secretary of Defense Frank C. Carlucci visits Seoul next month for the annual round of U.S.-South Korean military talks.

The move, part of Washington's effort to shift more of the military spending burden onto its allies, marks the first time that the United States has made such a high-profile request to South Korea. It reflects the apparently improved ability of economically vibrant South Korea to shoulder more of the financial, and even military, burdens of defending itself against North Korea.

"The Korean side is very well aware of the U.S. problems," said a

South Korean military source, referring to the Reagan administration's effort to cut military outlays as part of a broader effort to reduce the budget deficit. "We are willing to do our best on the U.S. requests, but how much or in what areas Korea can help is not yet decided."

However, Mr. Taft reportedly got a chilly response to his suggestions that South Korea also contribute to the U.S. military efforts in the Gulf and to a planned massive economic aid program for the Philippines.

Defense Minister Oh Ja Bok and Foreign Minister Choi Kwang Soo reportedly told Mr. Taft that South Korea, whose defense budget already tops 5.5 percent of gross national product, cannot afford yet to

underwrite security-related projects outside its own borders.

South Korean newspapers, citing Defense Ministry sources, reported over the weekend that late last year Seoul turned down a confidential U.S. request for South Korean Navy vessels to participate in patrolling the Gulf, through which South Korea receives about half of its oil.

Aside from the monetary issue, South Korea apparently balked at helping out in the Gulf because it does not want to jeopardize its good relations with Iran, where thousands of South Korean laborers are at work on various projects.

According to local news reports, Mr. Oh told Mr. Taft on Wednesday that "short-sighted judgment" aiming for "rapid change" could upset bilateral ties.

Many political analysts say the U.S. bid to increase South Korea's role in common defense programs could backfire if Washington is perceived as pushing too hard for too much. The image of the United States bullying a smaller and poorer ally could bolster the rising tide of anti-Americanism, experts warn.

Mr. Taft, speaking to reporters just before leaving for Tokyo to hold similar negotiations with top

Japanese officials, said he had asked the South Koreans to increase their spending for construction of new military facilities.

Although Mr. Taft did not give specific figures, the South Korean military source said the United States wants Seoul to nearly double its military construction budget to \$60 million annually from \$34 million.

According to a U.S. official, South Korea directly spent nearly \$387 million last year to support the U.S. military presence, while providing more than \$1.5 billion in indirect subsidies, such as tax-free use of public land throughout the country. The United States, for its part, spends more than \$1 billion in South Korea, a figure that does not include the salaries of the 43,000 troops based here, the official said.

The South Koreans are reportedly seeking increased military-technology transfers from the United States, although Seoul is not presenting the request as a pre-condition for boosting financial aid, sources say.

Unlike the U.S. allies in NATO, who face low economic growth and are unable or unwilling to shoulder more of the military tab, South Korea has a booming economy.

# U.S. Railroads to Review Drug Testing

NEW YORK — U.S. officials will seek an immediate review of drug and alcohol testing practices by regional railroad authorities following the discovery that five employees involved in a commuter train crash last month had used drugs.

The Federal Railroad Administration released test results on Tuesday showing that an engineer killed in a crash April 6 had marijuana in his system and that a dispatcher's urine contained traces of morphine and codeine.

"This insanity has got to stop," said John Riley, head of the agency.

In the last 16 months, he noted,

there has been a U.S. rail accident every 10 days in which an employee tested positive for drug use.

Robert R. Kiley, chairman of the New York Metropolitan Transportation Authority, called for an immediate review of testing practices at the Metro-North railroad, the Long Island Rail Road and the city's Transit Authority. Metro-

North serves Westchester County, north of New York City, and Fairfield County in Connecticut.

Mr. Riley declined to say whether the tests indicated drugs affected the performance of the men in the Metro-North crash in April. A final report, to be released in about two months, will determine the role of drug use in the crash, he said.

North serves Westchester County, north of New York City, and Fairfield County in Connecticut.

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100 years ago, there was only one choice in retail systems. So what's new?



\*UNIX is a trademark of AT & T Bell Laboratories.

A century ago, the cash register was the first piece of transaction processing equipment available to the businessman; ours were the first in a long line of innovative retail products.

One hundred years in the vanguard of retail technology give us an unrivaled heritage and impeccable credentials; in fact, we have customers today who've been with us since the beginning.

That's partly because we were at the forefront of developments in retailing which are now taken for granted — such as self-generation languages and UNIX\* based systems enable us to suit all retailers' requirements, both now and in the future — thus protecting their investment in software, hardware and staff training.

It's partly because we deliver solutions — integrated systems, not just pieces of equipment — backed by high levels of reliability, service and support; an approach that enables our customers to improve the standard of service to their customers.

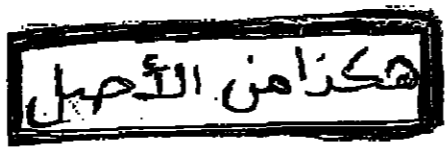
However, it's mostly because nobody understands the needs of the retail market as well as we do.

Retail systems from NCR — yet another example of 'creating value' through superior technology.

As we said at the start, what's new?

service stores, scanners and electronic funds transfer.

It's partly because leading-edge computer technologies such as fourth



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# Millions of Mozambicans Flee Rebels' Brutal War

By James Brooke  
New York Times Service  
RIBAUUE, Mozambique — When the East African sun sinks below the savannah, workers at a cotton mill here vanish into the invisible shadow of a brutal rebel group that has reduced this town and this land to dependence on foreign charity for survival.

The rebels belong to the Mozambique National Resistance Movement, or Renamo, an anti-Marxist guerrilla army that, according to a recent State Department report, has killed at least 100,000 people and forced almost a million more to become refugees.

Fleeing the insurgency, millions of Mozambicans have won some measure of security in an archipelago of government-held cities and towns.

"We sleep without sleeping," said Amilcar Xavier Veloso, the mill's manager, who no longer dares to sleep in company housing. "We hear a shot and we're off and running."

Labeled *banditos* by Mozambique's government, the rebels commonly attack around dawn. In September, they burned a warehouse and blew up a cotton gin. In October, they burned four railroad wagons filled with cotton bales. In November, it was the cotton buy-

er's jeep. In February, they came closer, sacking company offices and Mr. Veloso's residence.

The State Department report in mid-April lent credence to what many Mozambicans say they already knew: that Renamo has built

**'I went to get my clothes, but they grabbed me and started beating me. They said these things no longer belong to you; then they cut my ears off.'**

Mateus Mambunda, a peasant.

an insurgency that uses captive labor, rape, mutilation and arbitrary execution as tactics in its struggle to overthrow the government.

Since 1981, the Health Ministry reported in April, Renamo attackers have looted, destroyed or forced the closing of 595 health clinics — 31 percent of Mozambique's health network. With two million people deprived of care, the child mortality rate doubled in the 1980s to 350 per 1,000, the highest in the world.

Since 1981, the Education Ministry reported, rebel attacks have forced the closing of 2,518 schools that served 500,000 children — one-third of the projected elementary school enrollment.

The war, a UN report said, has

forced 870,000 Mozambicans to flee their country and 1.1 million more to leave their farms for the safety of cities.

In 1987, the Trade Ministry said, Mozambican farmers were able to meet only 6 percent of the grain

needs of city dwellers and refugees. This year, almost a quarter of Mozambique's 14 million people face starvation or severe malnutrition.

Finally, the United Nations reported, with the collapse of domestic commerce as the result of road ambushes, per capita income dropped by half in the 1980s. Today's level, \$95, is below that of Ethiopia, where the per capita income is \$110.

Responding to these sobering statistics, international donors have pledged \$270 million toward bandaging the wounds inflicted this year by the guerrillas.

A flight into Ribauue, a farming town accessible only by plane, offered an overview of besieged Mozambique — the old Portuguese

administrative building, its stucco walls split open by a bazooka; the Mediterranean orange tiles of deserted cotton plantation buildings; the dark green, overgrown squares that once were productive fields, and the rusting ribbon of rail lines

young, black-ruled neighbor in chaos.

In 1976, a year after Mozambique became independent, Rhodesian intelligence agents treated Renamo by recruiting former members of the Portuguese secret police, deserters from Mozambique's new army and petty criminals.

The movement's first leader, André Matanzanga, and its current leader, Afonso Dhlakama, were both cashiered from the Mozambican Army on theft charges.

Initially, the rebel movement's mission was to gather intelligence on black nationalist guerrillas seeking majority rule for Rhodesia and to harass Mozambique's young Marxist government. These days, the rebels seem to have no political vision.

In recent years, Renamo has won some foreign backing by issuing manifestos in favor of free enterprise. But this political overlay rarely seems to reach its soldiers in the field.

The group also benefited from a series of blunders committed by the Mozambican government in its early years.

At independence, about 90 percent of the colony's 250,000 Portuguese settlers left, many to neighboring South Africa. The new leaders made virtually no effort to win back this bitter exile group.

Some Portuguese remain die-hard opponents of the Mozambique government.

When independence came, 93 percent of Mozambique's African population was illiterate. The departure of the Portuguese led to economic collapse. Into the vacuum stepped Frelimo, a guerrilla group with a vision of a Marxist Mozambique that one day would become the first African member of Comecon, the Soviet-dominated, East bloc economic union.

Portuguese-speaking Frelimo operatives, who generally had a better command of Marxism than of local tribal languages, brought revolution to a conservative countryside. Churches were closed and tradi-

tion leaders dismissed. Abandoned plantations were turned into East European-style state farms. Hundreds of thousands of peasants were herded from ancestral lands into 1,400 communal villages.

In Shona-speaking areas — Manica, Sofala and Tete Provinces — the heavy-handed collectivization policy violated traditional beliefs in spirit mediums, men and women who interpret the wishes of ancestors. These spirits are believed to reside in specific areas and do not move with the population.

Frelimo leaders ridiculed the beliefs. These days, they can travel through most of Manica, Sofala and Tete Provinces only in military convoys.

Dissenters were sent to detention camps euphemistically termed "re-education centers," where beatings and starvation were frequent. Renamo rebels, preying upon disenchantment with the government, raided them for recruits.

As millions of Mozambicans flee the terror tactics, the government has softened its own policies.

Almost all the detention camps have been closed. Government policy now stresses private enterprise, foreign investment and the family farm. The word *camarada*, or comrade, has dropped out of use.



# Botha's Party Suspends Anti-Apartheid Mayor

By William Claiborne  
Washington Post Service

JOHANNESBURG — The mayor of Durban, the third largest city in South Africa, has been suspended by President Pieter W. Botha's ruling National Party for refusing to support the government's apartheid policy on the beaches.

The mayor, Henry Kloz, who shook the political establishment in December by opening all but two of Durban's whites-only beaches to blacks, said Wednesday that he would rather leave the party than rescind his decision to integrate the Indian Ocean beachfront.

"If we are to succeed in becoming a truly 21st-century cosmopolitan city," Mr. Kloz said, "the policy of open facilities must be pursued." He made the statement after the Natal Province branch of the National Party informed him that he faces expulsion.

Mr. Kloz said that the provincial party leader, Home Affairs Minister Stoffel Botha, telephoned him in December and asked, "How dare you take it upon yourself to open Durban's beaches?"

He said he received the suspension order, which could lead to his expulsion from the party's national membership rolls, this week.

The issue transcends party politics in Durban, which along with Cape Town is one of South Africa's two largest tourist attractions.

The city has an official population of 750,000, of whom only 185,000 are whites. But the total does not include an estimated 1.5 million blacks who live in squatter camps surrounding the city.

The white-supremacist Conservative Party won increased majorities in three key parliamentary by-elections in the Transvaal in March, partly on a campaign of opposing beach integration in Natal.

Last May, the Conservatives became the largest opposition party in Parliament, and since then have attempted to force Mr. Botha's

government to retrench on its cautious program of incremental reform of the country's apartheid system.

President Botha has supported a policy of giving communities the option of integrating some beaches, but he maintains that others should be reserved exclusively for whites on the principal of "group rights."

His position on beach apartheid attracted national attention last year when the Reverend Allan Hendrikse, the leader of the mixed race Labor Party, made a highly publicized swim at a whites-only beach in Port Elizabeth.

The president was furious at what he regarded as an attempt to embarrass him and he demanded — and got — an apology from Mr. Hendrikse, one of two nonwhite ministers without portfolio in his cabinet. Mr. Hendrikse later resigned from the cabinet.

**Police Seize SAM Missiles**  
John D. Battersby of The New York Times reported from Johannesburg.

The South African government said Wednesday night that the police had arrested four whites suspected of being African National Congress guerrillas and had seized the biggest-ever consignment of weapons inside the country.

The arms cache included the first SAM-7 ground-to-air missiles captured by the police inside the country. There were also limpet mines, hand grenades, mortars, explosives and small arms of Soviet origin.

The four whites, said by police to range in age from 20 to 30, were arrested 12 miles west of Pretoria on Sunday. The police said it was also the first direct confirmation that anti-apartheid guerrillas, who have their headquarters in Zambia, are in possession of ground-to-air missiles.

The police said the four suspects, three men who are all South African citizens and a woman of foreign nationality that spokesmen declined to specify, had formed a "highly specialized terror unit."

# Business Visa Requests Up Sharply In U.S. as Global Economy Grows

By Greg Johnson  
Los Angeles Times Service

SAN DIEGO — When Paul Engineering recently decided to bring an executive as a gift from Pretoria into its headquarters here for an extended period, the company's personnel director, David Disque, joined the growing number of corporate executives who are placing telephone calls to immigration lawyers.

In 1986, the U.S. Immigration and Naturalization Service issued 66,925 visas to professionals who already work in their native countries for companies affiliated with U.S. corporations — more than five times the 12,570 "intra-company transfer" visas issued in 1975, according to Interpreter Releases, a Washington newsletter.

The Immigration and Naturalization Service has witnessed equally stunning growth in the number of foreign professionals who apply for temporary work visas that enable them to take jobs offered by employers in the United States and work for up to six years. The agency issued 54,426 visas to foreign professionals in 1986, up from 15,550 issued in 1975.

Most of those visas were issued to citizens of countries that have strong business links to the United States, according to immigration service data surveyed by Interpreter Releases. In 1986, British professionals were issued 9,800 temporary visas; Canadians, 6,144; Mexicans, 3,200, and Japanese, 2,086.

The demand for temporary employment visas has grown in step with the increasingly international nature of the U.S. economy, according to Stephen Yale-Loehr, a former immigration lawyer with a Washington law firm who is now an associate editor of Interpreter Releases.

Professionals employed by foreign subsidiaries of U.S. companies still account for a hefty percentage of intra-company transfer visas issued by the immigration service, Mr. Yale-Loehr said. But increasingly, intra-company transfer visas are being issued to foreign executives who enter this country in order to manage newly acquired U.S. companies.

And temporary visas, which typically can be obtained in a matter of months, have grown in popularity as backlogs for permanent employment visas have increased to as long as six years, Mr. Yale-Loehr said. Temporary visas also are easier to obtain because there are no quotas and no need to prove that the foreign worker will not displace a qualified U.S. citizen.

All that is required is that the applicant prove that he or she is a "professional" as defined by the immigration service and has a job waiting.

Foreign professionals who obtain temporary visas can immediately apply for a permanent visa, according to Robert Cane, an immigration attorney with the San Diego law firm of Luce, Forward, Hamilton & Scripps. But it is generally more difficult to obtain a

permanent visa because the immigration service guidelines for permanent visas are more restrictive than for temporary visas, and annual quotas limit just how many permanent visas are issued.

The examiners who process visa requests work at four regional offices, including San Ysidro, California, which handles requests from several western states, and Burlington, Vermont, which handles applications for much of the East Coast.

The immigration service purposely selected those out-of-the-way locations to keep immigration lawyers from pressuring staff members, Mr. Yale-Loehr said. Initially, "no one even knew the telephone numbers" of the four centers, he said.

"We've decided that we can be more effective if we put them into a situation where they'd have no phone calls, no interruptions," said Cliff Rogers, the immigration service's deputy district director in the San Diego office. "We've found that our limited resources go much, much further that way."

Typically, the applications can be handled in just minutes, but "increasingly, they are more complex, which is why we have specialists handling them," Mr. Rogers said.

"Those regional locations were supposed to speed the process up, but as it stands, they may have only 10 or 12 minutes for each petition that we spend weeks and weeks putting together," Mr. Cane said.

# Pollution of Alaska by Oil Industry Is Worse Than Expected, Study Says

By Philip Shabecoff  
New York Times Service

WASHINGTON — An unreleased preliminary report by officials of the Fish and Wildlife Service says oil development in northern Alaska has caused far more environmental damage than the government predicted.

The report, whose findings are a subject of dispute within the agency, says development of the Prudhoe Bay oil field and the Trans-Alaska Pipeline has been on a substantially greater scale than was envisaged in the government's environmental impact statements, prepared before the projects began 16 years ago.

Partly as a result, it concludes the projects have created substantially more air and water pollution and destroyed significantly greater amounts of wildlife habitat.

Among the report's findings are that 11,000 acres (about 4,450 hectares) of vegetation used by wildlife at Prudhoe Bay has been lost, almost double what was predicted, and that most bird species in the area have declined in population,

as have bears, wolves and other predators.

Lawmakers and environmentalists said Tuesday that the report, prepared at the request of Representative George Miller, Democrat of California, could have a significant effect on the legislative debate over whether to open the Arctic National Wildlife Refuge, just to the east of Prudhoe Bay, to oil exploration. Environmentalists and some officials favor protecting the refuge as a wilderness area.

A number of legislators also said the report showed how environmental impact statements, required under the National Environmental Protection Act as a means of assuring that government activities are environmentally sound, could seriously underestimate the potential damages of huge development projects.

Mr. Miller asserted Tuesday that the Interior Department, the wildlife agency's parent, had deliberately suppressed the report because it was damaging to the Reagan administration's efforts to quickly open the arctic refuge to oil exploration and development.

Philip Million, a spokesman for the Fish and Wildlife Service, denied that the report had been suppressed for political reasons. He said that it had not been released because of a disagreement between two of the agency's offices about the validity of its conclusions.

Although the report was completed last December, Mr. Miller was given only a brief summary then by the Fish and Wildlife Service, an account that, he said Tuesday, did not even begin to describe the problems listed in the full 86-page report. But he, Senator William V. Roth Jr., Republican of Delaware, several environmental groups and The New York Times obtained copies of the document this week through unofficial channels.

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SCIENCE

IN BRIEF

Liver Disease Virus Isolated

EMERYVILLE, California (NYT) — Scientists at a California biotechnology company reported Tuesday that they had isolated an elusive virus that causes liver disease in thousands of people who undergo blood transfusions each year.

The scientists, at the Chiron Corp., said their work should allow them to develop a test that could be used to screen donated blood and greatly reduce the chance of contamination. The work, which used techniques of genetic manipulation to study the genetic code of the virus, could also lead to a vaccine against the disease, hepatitis non-A, non-B.

At a news conference at corporate headquarters here, Chiron's chairman, William J. Rutter, said the company hoped to have a screening test for antibodies to the virus ready for clinical trials by the end of the year.

A Treatment for Unpigmented Skin

WASHINGTON (UPI) — Adapting a technique used to make skin grafts for burn patients, scientists have found a better way to treat vitiligo, or patches of unpigmented skin.

At a dermatology conference here, researchers from the University of Texas Medical Branch in Galveston described the technique for restoring pigment production to the colorless patches of skin that form when a patient's melanocytes — or pigment-producing cells — are destroyed.

The scientists, led by Miriam Brysk and Dr. Richard Newton, attributed the success to the special nutrient mix, called MCB-153, in which patients' cells were cultured.

A Vaccine Disappointment

NEW YORK (NYT) — Long-awaited tests of two relatively new vaccines against pertussis, or whooping cough, have shown that they are quite safe but not as effective as experts had hoped. Disappointed researchers said more studies would be needed. Moreover, surprising aspects of the results have forced scientists to reassess some assumptions about how these and other vaccines against bacterial diseases work.

The new vaccine study, carried out in Sweden and reported in The Lancet, is the largest and most scientifically rigorous trial of whooping cough vaccines in recent years. It tested two made in Japan — one already widely used there, the other experimental — in about 4,000 children.

Earlier, smaller studies indicated that the newer Japanese vaccines were as effective as the ones used for decades in the United States and many other countries against pertussis, which is characterized by sudden attacks of coughing, ending in prolonged whooping respirations.

Fatigue Linked to Mental Illness

WASHINGTON (WP) — More than half of the people who said they suffered from chronic fatigue actually had undiagnosed mental illness, researchers from the University of Connecticut Health Center in Farmington reported.

For some time, researchers have suspected that Epstein-Barr virus, which causes mononucleosis, was the primary cause of chronic fatigue, the fourth most common complaint voiced by patients seeing an internist and the seventh most common among patients seeing a family doctor.

The three physicians conducting the Connecticut study found that only 15 percent of their 100 subjects showed any signs of EBV infection. All the patients with signs of EBV infection also suffered a mental illness. "We found no patients considered ill just because of Epstein-Barr," said research leader Dr. Peter Mann. Problems in diagnosis may be due to the fact that patients complaining of chronic exhaustion are "unable to vocalize their feelings of depression or anxiety," researchers reported.

Chewing Gum and Cavities

WASHINGTON (WP) — Conventional wisdom says chewing sugarless gum is better at preventing cavities than chewing gum containing sugar.

But a new study at the University of Iowa College of Dentistry concludes that sugared gum, if chewed long enough, has the same effect as sugarless gum in neutralizing the bacteria-created acids that cause tooth decay.

Without chewing gum after a meal, the researchers found, acid remained at levels high enough to cause tooth decay. The key, Wefel said, is to chew the gum for at least 20 minutes.

Cable Design of Bridges Under Fire

By James Gleick

New York Times Service

A FUROR has erupted in the world of bridge engineering over the long-term reliability of a design that has come to dominate the modern generation of great bridges, all but replacing the traditional suspension bridge.

Two experts have conducted an international survey of these new bridges, known as cable-stayed bridges, and they say that their inspections revealed widespread corrosion — premature and potentially dangerous — in the cables that hold up the roadways.

"There's a cancer in these bridges," one of the experts, Stewart C. Watson, said in an interview. Last Friday, he told a group of experts on bridge safety in New York. "After looking at 100 of these bridges, we're scared to death."

In West Germany, where the cable-stay design was invented, bridges that were meant to last for many decades have had to be shut

down so that corroded cables could be replaced. "We were just shocked to see new bridges, 4 to 10 years old, with tremendous corrosive degradation of the primary cables," Mr. Watson said.

American bridge designers, however, accuse Mr. Watson and other critics of exaggerating the problems. They say that cable-stayed bridges in the United States, where a half dozen have been built since 1971, use improved technologies that provide ample protection from corrosion.

The questions about this new generation of bridges arise at a time when local and regional governments around the world are struggling with the expensive problem of repairing or replacing older bridges whose useful lives have been cut short by the deferral of routine maintenance.

More than 200 of the world's largest bridges — nearly all of the large bridges built in the last two decades in Europe, North and South America and Asia — use the cable-stay design.

The roadways of suspension bridges are held up by vertical cables attached to main cables that hang in an arc between the supporting towers. By contrast, cable-stay bridges use cables that fan downward directly from the towers.

Since the aftermath of World War II, when West German engineers began using cable-stayed bridges to replace the Rhine crossings destroyed by bombing, they have been constructed wherever engineers needed to support a span of about 700 to 2,200 feet (about 200 to 650 meters). For longer spans, suspension bridges are still better, mainly because cable-stayed bridges require taller towers.

Mr. Watson and a colleague, David Stafford, have published their assertions in Civil Engineering, a professional journal of the American Society of Civil Engineers.

Most of the world's cable-stayed bridges, they wrote, "are in serious danger because corrosion is attack-

ing their cables." To protect against corrosion, designers have used a variety of techniques, they added, "and nearly all those methods have failed to one extent or another."

They emphasized that they are not challenging the cable-stay design; they believe it will continue to be the design of choice for all but the very longest bridges. But they say that a remedy must be found for the corrosion and that the costs will be far greater than expected.

A German bridge designer, Ulrich Finsterwalder, supports the assertions of Mr. Watson and Mr. Stafford. Because of the special configuration of cable-stayed bridges, he said, their cables can suffer excessive vibration. That leads to metal fatigue, making the cables especially vulnerable to corrosion from water or polluted air.

"These modern cable-stayed bridges have not a long life, and that is a very serious problem," Dr. Finsterwalder, who is now retired, said from Munich.

Other experts vehemently dispute this. "It's ridiculous," said Eugene Figg of Figg & Muller, a Florida firm that has designed many cable-stayed bridges in the United States and abroad. "We take all the precautions that are necessary."

Several designers said that Mr. Watson and Mr. Stafford were unqualified to assess the safety of the bridges, since neither is an engineer. They are longtime executives of construction and manufacturing companies in the bridge industry, and they say they became concerned about cable-stayed bridges "by accident."

Particularly in West Germany and France, Mr. Watson and Mr. Stafford have documented serious problems of corroded wires. For example, all of the cables of the Kohlbrand Estuary Bridge in Hamburg, built in 1981, had to be replaced three years later after corrosion was accidentally discovered.

A recent inspection of the Kurt Schumacher Bridge, the main Rhine crossing at Mannheim for both automobile and rail traffic, found 2,500 individual breaks in its corrosion protection system. The bridge, which is just 17 years old, requires a complete renovation at enormous cost.

Cable-stayed bridges in the

United States have avoided the most serious European problems, designers say. The federal government requires that they be built in a way that allows individual cables to be replaced when necessary without jeopardizing the entire structure. That lessens the risk of a catastrophic collapse when one or a few cables fail, and it makes repairs more practical.

The federal official responsible for bridge engineering, Walter Podolny of the Federal Highway Administration, said that European bridges of the 1950s and 1960s used an especially short-lived method of corrosion protection that was never adopted for the American bridges.

"I'm unaware of any corrosion problem with cable-stayed bridges in the U.S.," Mr. Podolny said. "Certainly what Watson has said is not untrue, but in my opinion he's come on too dramatically."

Corrosion protection systems vary. On most recent cable-stayed bridges, the cables are surrounded by cement grouting and enclosed in polyethylene plastic pipe.

The survey by Mr. Watson and Mr. Stafford has found many instances, even on recent American bridges, of cracked protective pipes and worn tape. Because of the wrapping, they argue, it is impossible to tell whether the cables have begun to corrode.

The chemical processes of corrosion are closely intertwined with the physical processes of metal fatigue, a weakening of metal that develops from repeated stress. The connection is poorly understood, though.

"Fatigue is really one of these unsolved problems of classical physics, along with turbulence," said Francis C. Moon, of Cornell University.

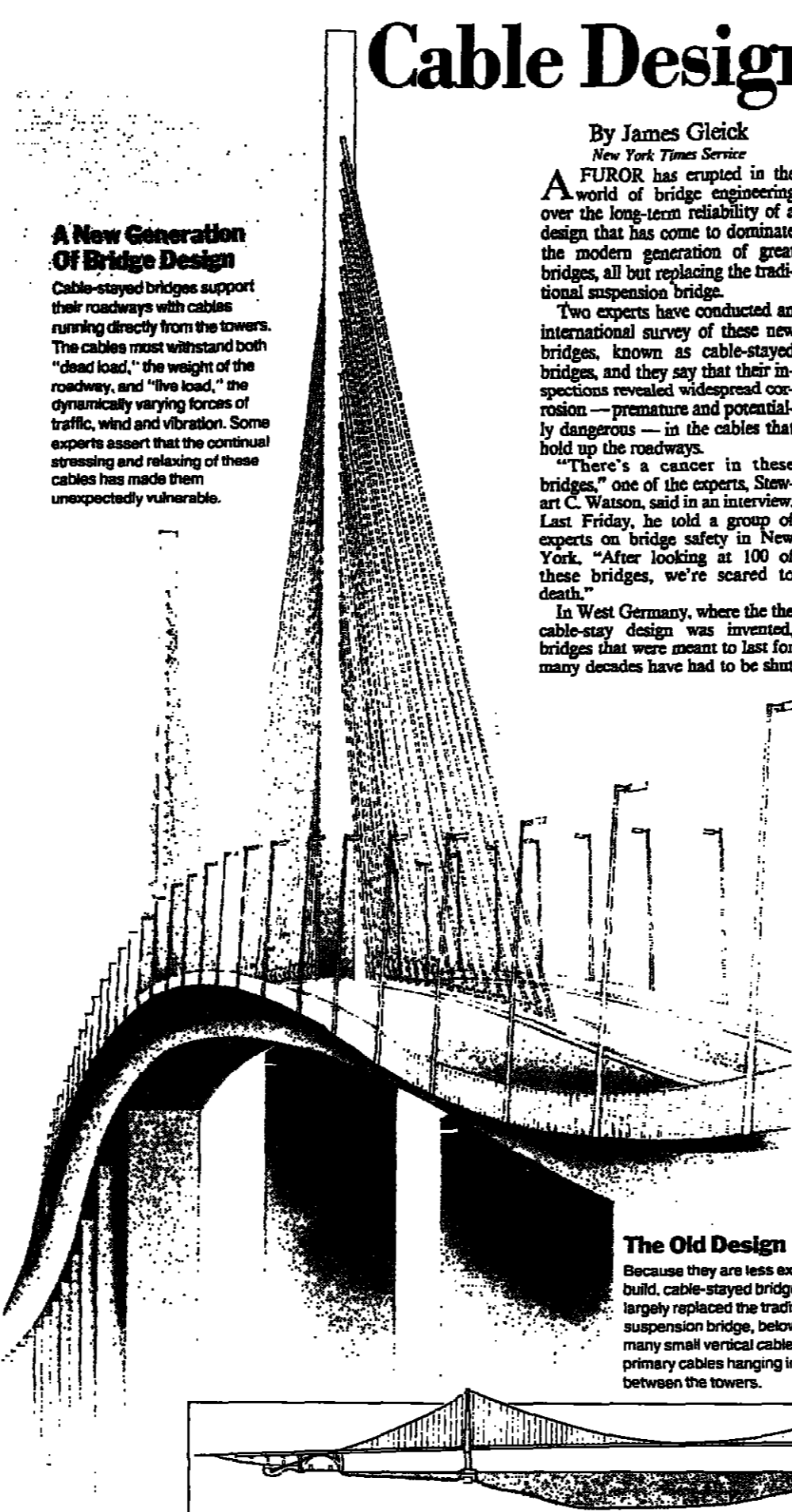
One element of fatigue is the growth of microscopic cracks while in the metal. The cracks can elongate and join to form larger, visible cracks, and they can also provide sites for corrosion by water, salt or other chemicals.

The Transportation Research Board, an arm of the National Academy of Sciences in Washington, has commissioned a study to calculate the needed strength of cables on cable-stayed bridges. Jon A. Gill of Acker Freeman, an engineering firm in London, who is heading the study, said that he considered some of the criticism of cable-stayed bridges to be "alarmed." The design has generally proved sound, he said.

For now, though, he said, no consistent standards exist, especially when it comes to predicting the effects of metal fatigue.

A New Generation Of Bridge Design

Cable-stayed bridges support their roadways with cables running directly from the towers. The cables must withstand both "dead load," the weight of the roadway, and "live load," the dynamically varying forces of traffic, wind and vibration. Some experts assert that the continual stressing and relaxing of these cables has made them unexpectedly vulnerable.



The Old Design

Because they are less expensive to build, cable-stayed bridges have largely replaced the traditional suspension bridge, below, which uses many small vertical cables attached to primary cables hanging in an arc between the towers.

Adolph Brossmer

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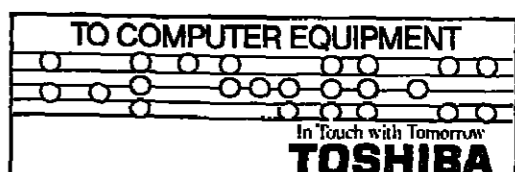
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مكازم الصحيل





THURSDAY, MAY 12, 1988

INTERNATIONAL MANAGER

For Expatriates, Equal Pay Abroad, If Not Back Home

By SHERRY BUCHANAN International Herald Tribune LONDON — Why should a Filipino manager working in Lagos earn less than an American colleague with the same job, same title, same seniority, in the same city? Managing a multinational team is a difficult enough job as it is without money grudges getting in the way.

Tension, frustration and anger can build up when people of the same rank working for the same management team do not have the same standard of living, simply because one is from the Philippines, where salary levels are relatively low, and one from the United States, where they are relatively high.

Some European multinational companies that employ large numbers of expatriates, like Royal Dutch/Shell Group, Unilever and British Petroleum Co., find that it is most important to give peers in the same location a similar standard of living no matter what their nationality.

For instance, workers from Toronto, Paris, Singapore and Manila all receive the same local pay package in Oman, although the part of the salary paid in their home countries may differ widely.

British Petroleum introduced a new expatriate pay system two years ago. Alan Chesters, BP's manager of international personnel, said, "Under the old system, there were huge differences between an American and a New Zealander, who were peers and were working in a third country." Under the new system, "all expatriate peers have the same money to spend in Nigeria, for example."

Fred Piker, director of international compensation consulting projects at Organization Resources Consultants Inc. in New York, said, "It's a good way to remove potential discontent and upset on the part of expatriates of different nationalities as long as the company clearly keeps a separately identified home base salary."

These expatriate pay systems differ among multinationals and are costly and complex to administer. But, the companies argue, they are worth it because they do not inhibit people from freely accepting transfers.

"The prime consideration is international mobility, and this underlies the system," said Mr. Beaton of Shell. A British-Dutch company, Shell has 4,500 expatriate managers, 25 percent of whom are neither British nor Dutch.

IMPERIAL CHEMICAL Industries PLC's new expatriate pay package shows less concern about putting colleagues of different nationalities on the same footing than in giving managers incentives to move from countries with higher salary levels to countries with lower levels. Examples would be moving Americans to London, or Swiss managers to Spain.

For many companies, depending on the job location and the remuneration system used, 55 percent to 75 percent of the income for expatriate peers is the same.

"The day-to-day spending on goods and services is common among expatriate peers in the same location so that it doesn't matter whether they are Swiss or Filipino," says David Beaton, head of expatriate compensation and development for Shell International in London. "Expatriate peers also have common incentive pay and hardship pay expressed as a percentage of a Dutch salary base."

"But there is an element of their expatriate pay package linked to their home countries. That's the bit out of which the expatriate meets average home country commitments, which include retirement benefit plans, long-term savings plans and home-country housing."

Next: Expatriates versus locals.

Currency Rates

Table with columns: Cross Rates, Currency, Per \$, etc. Includes rates for Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Zurich, etc.

Other Dollar Values

Table with columns: Currency, Per \$, etc. Includes rates for Aeronautical, Austral, Swiss, etc.

Interest Rates

Table with columns: Eurocurrency Deposits, Dollar, 3-month, etc. Includes rates for 1-month, 3-month, 6-month, 1-year.

Key Money Rates

Table with columns: Discount rate, Call money, 3-month interbank, etc. Includes rates for various financial instruments.

Asian Dollar Deposits

Table with columns: 1 month, 3 months, 6 months, 1 year. Includes rates for various Asian currencies.

U.S. Money Market Funds

Table with columns: Merrill Lynch Bond Assets, 30-day average yield, etc. Includes performance data for money market funds.

Shell Net Climbs By 18%

Quarterly Profit At £822 Million

By Reuters LONDON — Royal Dutch/Shell Group said Wednesday that its profit rose 18 percent in the first quarter, to £822 million (\$1.54 billion) from £694 million a year earlier, despite a fall in crude oil prices.

The higher earnings for the British-Dutch oil giant, compiled on an historic cost basis, came on a 5.1 percent fall in revenue, to £13.63 billion from £14.37 billion in the year-earlier period.

On a replacement-cost basis, which excluded the lower value of the company's inventories of crude, profit rose 49.5 percent, to £900 million from £602 million. Analysts say that judging earnings on this measure provides a clearer picture of the company's operations.

The earnings were largely as expected, and shares of Shell Transport & Trading Co., the oil concern's British arm, initially rose slightly. Reflecting an overall decline in British stock prices, however, the shares closed at 1,040 pence on the London Stock Exchange, down 22.5 pence.

Oil analysts at the London brokerage Smith New Court had forecast historical profit of £830 million and replacement-cost earnings at £910 million.

"Once again Shell has shown us what it can do despite a fall in the price of crude," said one London analyst. "I think there will be a few brokers upgrading their full-year profit forecasts slightly on the back of this result."

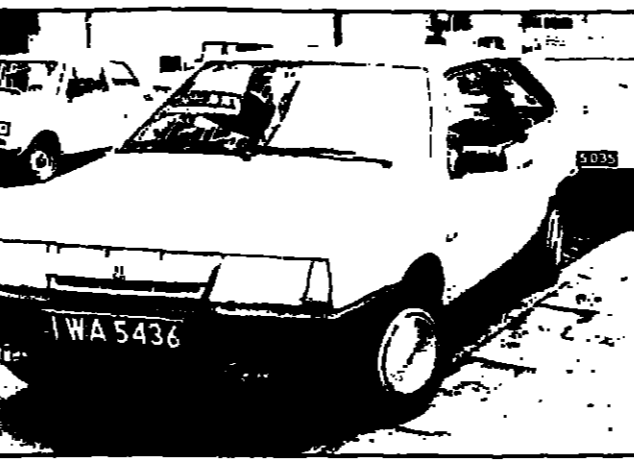
Jeremy Elden, an oil analyst at Phillips & Drew, noted that the historical profit of £822 million included a gain of £106 million from the sale of a property in Hong Kong, and a lower exchange rate loss of £24 million from £96 million in 1987.

The company said exploration and production earnings fell 22 percent, to £370 million, from the first quarter of 1987, mainly due to lower crude oil prices, reduced natural gas sales and the strengthening of the British pound against the dollar. Oil prices are denominated in dollars, so translation of these earnings into sterling depressed profit.

Manufacturing, marine and marketing earnings, however, rose 11 percent, to £292 million. Helped by the lower oil prices, earnings from chemicals more than doubled, to £232 million.

Shell said the outlook for exploration and production earnings depends on whether the increases seen in crude oil prices since early March can be sustained, despite the market's recurring volatility.

Shell said it expected its crude oil production to remain broadly at current levels and that natural gas sales would show the usual summer decline because of reduced demand for heating.



The new Lada Samara. The Soviet Union is investing billions of rubles to upgrade its car industry.

Table titled 'Who Owns a Car?' showing car ownership statistics for various countries like East Germany, Czechoslovakia, Hungary, Bulgaria, Poland, Soviet Union, Rumania, etc.

East Bloc Car Makers Turn to West Industry, Eying Trade Potential, Seeks a Major Upgrade

By John Tagliabue New York Times Service WARSAW — Every Sunday morning, several acres of an old military airfield west of this city become, for a few hours, its most active automobile dealership.

At what looks more like a county fair, with hot charcoal grills wafting the scent of browning kiebasa, potential buyers browse among dumpy little Polski Fiats, new Mercedes Benz sedans, or the occasional old Pontiac or Chevrolet that has been brought into the country by migrant workers.

That is more than they can do downtown at the official state-run auto dealer, where there are no cars but only posters of those available: generally Polish and other Eastern Bloc models and, possibly, one or two Japanese models. Nor is there instant delivery: as in other Eastern Bloc countries, buyers often must wait months, even years.

But all this may be about to change: Throughout the region, there are signs that Communist officials are trying to modernize the industry with an eye toward increasing the quantity and quality of cars at home and obtaining Western currency by exporting others.

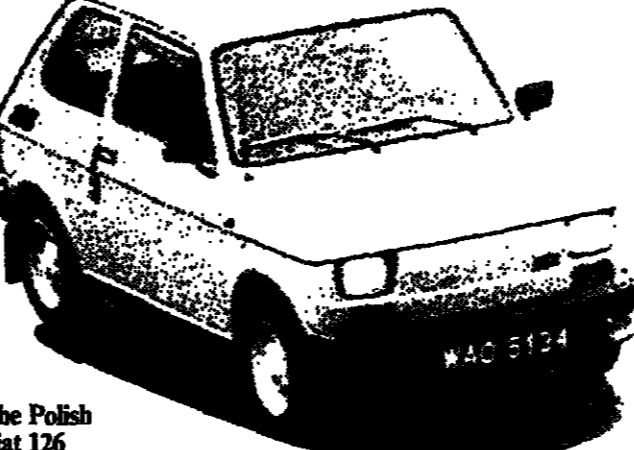
Their interest has caught the attention of Western automakers, particularly the Western Europeans and Japanese, who appear to be practically tripping over each other in hotel lobbies here as they compete for shares in the market.

Consider the following: In Poland, authorities late last year signed a \$500 million agreement with Fiat SpA to produce a zippy subcompact that should be available within a few years, replacing the stodgy and inefficient Fiat 126 model that is the car most commonly found on Polish roads.

Fiat and Daihatsu of Japan have been bidding against each other in intermittent negotiations with Polish authorities to assemble a medium-sized car.

In Hungary, the authorities have been talking with Suzuki of Japan about a plant that would

See EAST, Page 11



The Polish Fiat 126

U.S. Banks Start Year With a Healthy Rebound

By Leslie Wayne New York Times Service NEW YORK — If the first quarter is any indication, this should be a very good year for U.S. commercial banking.

The nation's biggest banks rebounded with healthy earnings in the quarter, their financial results indicate, after suffering in 1987 when they established huge reserves against Third World loans.

The banks benefited from belt-tightening, moderate interest rates and gains in the trading of securities — trends that most analysts expect to continue.

"The first quarter is a good harbinger of the year, assuming moderate interest rates and continued good economic growth," said George Salemi, an analyst at Prudential-Bache Securities.

Twelve of the United States' 15 largest bank holding companies reported sizable gains from the 1987 first quarter. The largest, Citicorp, reported a 34 percent rise in income, while Chemical New York Corp. had a 23.4 percent

rise, J.P. Morgan & Co. was up 24 percent and Chase Manhattan rose 23 percent when a large one-time gain was excluded.

The lone exception was First Republicbank Corp., where earnings fell 46 percent. It was created last year from two troubled Dallas banking organizations and received a \$1 billion infusion from the Federal Deposit Insurance Corp. Last month, Albert Casey, former chairman of American Airlines, became the bank's new head amid a management shake-up.

But for the rest of the big banks, the first quarter saw an improvement in loan quality, as well as an increase in income from fees and securities trading and the effects of cost-cutting programs that began last year, when the biggest banks turned in the worst performance since the Depression.

Last year's results were hurt by a decision by many banks to establish reserves against their loans to developing countries and to restructure many of their operations.

"First-quarter earnings were generally strong" this year, said Thomas H. Hanley, man-

aging director at Salomon Brothers. And Robert Albertson, an analyst at Goldman, Sachs & Co., said that "the core trends are improving."

Big money-center banks are expected to continue to show the benefits from cost-control programs, and strong regional economies should aid regional banks. "The United States economy is still doing well," said Ronald Mandel, an analyst with PaineWebber Inc. "That helps the banks."

The key, Mr. Hanley said, will be the future direction of interest rates, though earnings throughout 1988 may show the effects of one-time gains, such as the sale of assets or the recognition of tax benefits.

"We believe the rate of growth in core earnings could slow if short-term interest rates begin to rise," Mr. Hanley said. A rise in interest rates hurts banks if their cost of money increases faster than they can raise loan rates.

The improved profitability in the quarter came mainly from the banks' core businesses. Cost-control programs begun in 1987 started

See BANKS, Page 14

Rand Is Sliding as Gold Stays Weak

By Reuters JOHANNESBURG — The rand's slide this week to record lows has fueled fears of a slowdown in domestic growth and highlighted the strain on the South African exchange, analysts say.

As relatively weak gold prices continued to depress export earnings, the rand dropped to an all-time low of 4.17 to the British pound early this week and fell steeply against the Deutsche mark and the yen.

Although the dollar itself was weakening, the rand sank even faster, hitting its lowest level in more than a year of 2.23 rand to the dollar. The Reserve Bank, the country's central bank, intervened heavily in the local currency market Monday and Tuesday, selling dollars to prop up the rand, and it recovered slightly Wednesday to trade around 2.1950.

Economists worry that a weak currency will raise the inflation rate, now at 13.4 percent on an annual basis, and slow South Africa's import-dependent economy by making foreign goods and services more expensive.

"Many traditional signs of a genuine economic upswing are not showing up," said Dickie Stuart, director of the Bureau for Economic Research at Stellenbosch University. "This is a worrisome trend since it is a situation that is symptomatic of a fortress economy."

"It seems realistic to expect that once again the balance of payments

will damp down economic growth, contributing to a lowering of living standards and further increases in unemployment."

Willie Pougiet, chief foreign exchange dealer at Standard Bank Ltd., predicted a further weakening of the rand, pointing to South Africa's inflation problems and balance of payments difficulties.

A major problem is the relatively weak price of gold, which accounts for nearly half of South Africa's export earnings. Gold has been trading around \$450 an ounce.

Some analysts argue that the rand should be allowed to fall further to reduce imports, and thus protect the dwindling surplus on the current account, which measures merchandise trade, services and some financial transfers.

South Africa has been obliged to run huge current account surpluses to repay foreign debt under terms of a rescheduling agreement with major international creditor banks. It has repaid about \$5 billion of its original \$24 billion foreign debt since mid-1985, when international banks, alarmed by anti-apartheid protests, refused to renew South African loans.

Rudolf Gouws, chief economist at Rand Merchant Bank Ltd., said he considered it "appropriate for the economy to slow down and for the rand to fall in order to shield the balance of payments."

As the rand continues to slide, economists are rapidly scaling down their estimates of real growth

for this year to below the government's target of 3 percent.

Leading economists, including Reserve Bank Governor Gerhard de Kock, acknowledge that trade sanctions and the freeze on foreign bank loans have forced South Africa to become a capital exporter and inhibited domestic growth.

Last week the Reserve Bank demonstrated its concern about the deteriorating balance of payments and fears of accelerating inflation by raising its leading rates to the banking sector for the second time in little more than a month.

The move triggered an increase in the commercial banks' prime lending rates to 15 percent.

"Things would have looked a lot worse if the Reserve Bank hadn't raised interest rates," said Mr. Gouws of Rand Merchant Bank. "And they will probably have to do it again before too long."

Advertisement for Pacific Selection Fund N.V. with text: Net Asset Value on May 5, 1988. Pacific Selection Fund N.V.

Large advertisement for CORUM watches featuring a watch image and text: CORUM, Designs on time, Individually made with a degree of skill and care that belongs to a former time, Corum Watches carry design into the future.

Advertisement for Europe Growth Fund with text: Weekly net asset value on 6-5-1988 D.F. 43.82. Listed on the Amsterdam Stock Exchange.

Advertisement for Indigo Take-off with text: Water was seldom seen as the basis of a dramatic growth industry until Indigo Inc. was the first to combine it with membranes started shipping it as bulk trade to international, semiconductor, pharmaceutical and other companies which now need 1,000 times more than from a tap.

Advertisement for Tokyo Pacific Holdings N.V. with text: Weekly net asset value on 9-5-1988 U.S. \$244.17. Securities 71%, Liquidity 29%.

Advertisement for a fire insurance company with text: der Fire, a five-star hotel!

Advertisement for DSL Business School Lausanne with text: BUSINESS SCHOOL LAUSANNE SATURDAY M. B. A. Earn an MBA by taking our Saturdays only program.

NYSE Most Actives table with columns for Volume, High, Low, Last, and Change. Lists top trading stocks like Coca-Cola, IBM, and Microsoft.

Market Sales table showing volume for NYSE, AMEX, and OTC, along with percentage changes.

NYSE Index table showing Composite, Industrial, and Finance indices with their respective values and changes.

Wednesdays NYSE Closing logo with the text 'Via The Associated Press'.

AMEX Diary table listing various market indicators and their values.

NASDAQ Index table showing Composite, Industrial, and Finance indices for the NASDAQ market.

AMEX Most Actives table listing the most active stocks on the AMEX exchange.

Dow Jones Bond Averages table showing yields for various bond categories like Treasury, Corporate, and Municipal.

NYSE Diary table providing a daily summary of market activity.

Odd-Lot Trading in N.Y. table showing trading volume for odd lots.

Dow Jones Averages table showing the performance of the Dow Jones Industrial Average.

Standard & Poor's Index table showing the performance of the S&P 500 index.

NASDAQ Diary table providing a daily summary of NASDAQ market activity.

AMEX Stock Index table showing the performance of the AMEX stock index.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

RATE: Banks, Stock Markets React to Lawson

Main article text starting with 'On the New York Stock Exchange, declines led advanced by about a 5-1 ratio. Volume totalled 176.7 million shares...'.

Large grid of stock market data tables, including columns for 12 Month High/Low, Div. Yld. PE, and various stock symbols.

Large grid of stock market data tables, including columns for 12 Month High/Low, Div. Yld. PE, and various stock symbols.

Handwritten Arabic text at the bottom of the page.

Vertical advertisements on the right edge of the page, including 'Kodak Will', 'EAST', and 'ESCORTS & INTERNAT ESCO SERVICE'.

BUSINESS ROUNDUP

Bayer's Pretax Profit Climbs 11%

LEVERKUSEN, West Germany — Bayer AG, the West German chemical group, said Wednesday that pretax profit rose 11 percent in the first quarter, to 795 million Deutsche marks (\$473 million) from 715 million DM a year earlier.

to 3.07 billion DM from 2.84 billion the previous year. Net profit was 1.54 billion DM, up 14 percent from 1.35 billion DM in 1986, after adjusting for an accounting change.

Kodak Says '88 Revenue Will Exceed '87 Record

TORONTO — Eastman Kodak Co. predicted Wednesday that its 1988 revenue would rise by 27 percent to exceed \$17 billion and that its \$5.1 billion purchase of Sterling Drug Inc. would dilute earnings less than Wall Street analysts had thought.

"We paid a fair price for Sterling, and the dilution effect will be less than has been speculated," Kodak's chairman, Colby Chandler, said at the giant photographic company's first annual stockholders' meeting held outside the United States.

CP Takes Stake In Laidlaw for \$406.5 Million

TORONTO — Canadian Pacific Ltd., Canada's biggest company, said Wednesday that it had agreed to acquire a 47.2 percent stake in Laidlaw Transportation Ltd. for the equivalent of 500 million Canadian dollars (\$406.5 million) in cash and stock.

Marks & Spencer, Grand Met Post Gains

LONDON — Marks & Spencer PLC and Grand Metropolitan PLC said Wednesday that pretax earnings rose sharply in the latest six months of their financial years, citing strong sales in the domestic market.

European operations performed well, with local-currency sales increasing 13 percent, the company said.

Grand Metropolitan PLC said that sales in its British stores alone rose 13.5 percent in the second half of the year, making the year's increase in its revenues 9.6 percent. Of this, 7.6 percent was due to volume growth and 2 percent to inflation, the company said.

Mazda to Boost U.S. Production, May Build Engine Plant

FLAT ROCK, Michigan — Mazda Motor Corp. of Japan is adding a second shift to assemble the sporty new 1989 Ford Probe and the Mazda MX-6 at its plant here and is considering building an engine plant as well, according to company officials.

The president of Mazda Motor Manufacturing USA Corp., Osamu Nobuto, was reported Wednesday's edition of the Detroit news as saying that a special team of Mazda executives had recently completed a U.S. fact-finding tour and that a decision on a second plant was expected by year's end.

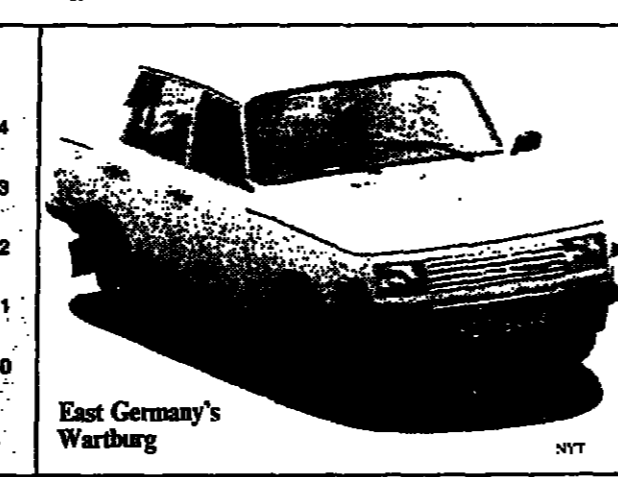
new Flat Rock assembly plant, which began production in September. Major components now are made in Japan and, although he declined to elaborate, Mr. Nobuto said that political considerations may play a role in the decision since most investment is local content.

dealers, who say they can sell the cars as soon as they get them. The official introduction of the Probe model is scheduled for Thursday, but dealers have had them for a few months.

EAST: Region Seeks Hard-Cash Auto Exports, as Well as Domestic Sales

(Continued from first finance page) enable Hungary to assemble about 50,000 of Suzuki's Altos a year. About half would be for sale to the West, said Gustav Bager, the director general of Hungary's State Development Institute, who has led the negotiations with Suzuki.

Small but Growing Annual production of motor vehicles in Soviet Union and other Eastern Bloc countries, in millions of vehicles.



the economies, while at the same time enabling them to repay billions of dollars in foreign debt. Of the spin-off effects of the deal with Fiat, Poland's deputy premier, Zbigniew Szalajda, said, "The contract is important for many industries, including steam-making, machine building and chemicals."

tariffs that the United States applies to the imports of most other countries. Thus, their cars would be liable for 10 percent duty against 2 percent for Japanese or West German cars.

an unanswerable question, too, is whether rock bottom prices outweigh the reluctance of many Americans to buy a car made in a Communist country.

the West's automakers and a Fiat subsidiary. The engineering center of Porsche AG, the West German automaker best known for its fast and expensive sports cars, supplied much of the engineering expertise that went into the Russian Samara.

Western automakers say the inexpensive model is mediocre by their standards, but probably is the best ever made in the Eastern bloc. It is selling well in Britain and other Western nations, including Canada, West Germany and France.

Both at home and abroad, a drawing card of the Eastern Bloc cars is their low price. Sue Leggett, deputy editor of Which?, the magazine of the London-based Consumers Association Ltd., said they are "very cheap and they're often quite large — you get a lot of car for your money, which is why they're quite popular here."

Most East bloc governments have set their sights relatively low. Adding up the capacity coming on line throughout the region, one Western auto executive said, will probably still not add more than several hundred thousand cars.

By contrast, he noted, a single Western automaker, Peugeot of France, turned out roughly 515,000 of its subcompact 205 in 1987. "Even if you take them all," he said, "200,000 Ladas, 150,000 Skodas, and so on, it's not as though they're about to invade the world."

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INTERNATIONAL CLASSIFIED (Continued from Back Page) ESCORTS & GUIDES LONDON KENSINGTON ESCORT SERVICE 10 KENSINGTON CHERRY ST, W8 TEL: 071 9156 02 212-765-7896 212-765-7754 MAJOR CREDIT CARDS AND CHECKS ACCEPTED

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 11th May 1988

Table listing various international funds with columns for fund name, currency, and price. Includes funds like ALMAL GROUP, AMERICAN GROUP, and various regional and thematic funds.

LATA Switching To ECU Billings United Press International GENEVA — The world's major airlines will switch to the European Currency Unit to settle accounts because of fluctuations in the dollar and the British pound.

Republic Clearing Corporation FUTURES & OPTIONS ON FUTURES Gold & Silver Currencies Financial Instruments Stock Indexes \$25 ROUND TRIP Call us at: 212-221-7138

Wednesdays NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE St. 1988 High Low Close

Table with columns for stock names and prices, including 12 Month High Low, Stock, Div. Yld. PE, St. 1988 High Low, Close.

(Continued)

Main table of stock prices with columns for stock names and prices, including 12 Month High Low, Stock, Div. Yld. PE, St. 1988 High Low, Close.

Table with columns for stock names and prices, including 12 Month High Low, Stock, Div. Yld. PE, St. 1988 High Low, Close.

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Company Results

Revenue and profits of issues, in millions, are in local currencies unless otherwise indicated.

Table of company results with columns for company names and financial metrics like Revenue, Profit, and Shares.

U.S. Futures

Via The Associated Press

Season High Low Open High Low Close Chg.

Table of U.S. Futures prices for various commodities like Wheat, Corn, Soybeans.

Season High Low Open High Low Close Chg.

Table of U.S. Futures prices for various commodities like Soybean Meal, Soybean Oil.

Season High Low Open High Low Close Chg.

Table of U.S. Futures prices for various commodities like Cattle, Hogs, Pigs.

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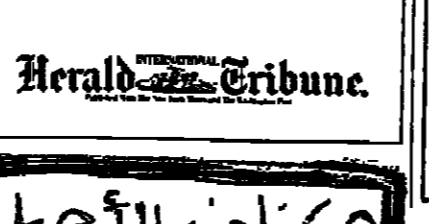
Table of U.S. Futures prices for various commodities like Japanese Yen, Deutsche Mark.

Big Soviet Grain Harvest, Lower Imports Forecast

WASHINGTON — The Soviet Union is expected this year to have its fourth largest grain harvest and import less than last year, the U.S. Agriculture Department has said. In its first forecast for this year's crop, the department said Tuesday that it estimated that the Soviet Union will produce about 236 tons (215 million metric tons) of grain. That would be slightly more than last year's 232 million tons and the first time the Soviet Union has harvested more than 220 million tons for three consecutive years. The estimate is far short of the official Soviet goal of 247 million tons of grain and 1978's all-time high of 260 million tons. The Agriculture Department forecast Soviet grain imports of about 29 million tons during the year beginning July 1, down from an estimated 36 million tons this year. While imports were projected to decline by almost eight million tons, to 16.5 million, the lowest level in nine years.

To our Readers in Saudi Arabia.

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Paris Commodities

Table of Paris Commodities prices for various commodities like Sugar, Coffee, Cocoa.

London Metals

Table of London Metals prices for various commodities like Aluminum, Copper, Lead.

DM Futures Options

Table of DM Futures Options prices for various currencies like Swiss Franc, Japanese Yen.

London Metals

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DM Futures Options

Table of DM Futures Options prices for various currencies like Swiss Franc, Japanese Yen.

S&P 100 Index Options

Table of S&P 100 Index Options prices for various contracts.

Dividends

Table of Dividends for various companies.

Spot Commodities

Table of Spot Commodities prices for various commodities like Wheat, Corn, Soybeans.

Nestle Increases Rowntree Stake

LONDON — Nestle SA has raised its stake in Rowntree PLC to 13.4 percent from 11.6 percent, a fully diluted spokesman for the financial adviser to the Swiss food group said Wednesday. The County Natwest Securities spokesman said that, on Tuesday, Nestle had raised its ordinary share holding in the British confectioner to 25.52 million ordinary shares from a previously held 9.5 percent. Nestle's stake rose to 13.4 percent when entitlements to shares from convertible bonds and warrants were included, the spokesman said. He said that Nestle had raised its holding in Rowntree's 4 1/2 percent 2002 convertible bonds to 30.3 million from 29.46 million. The issue is convertible. Rowntree's ordinary shares at the time up to 2002. Nestle holds about 58.6 percent of this type of bond, the whole issue of which converts into 12.2 million ordinary shares. Nestle also holds 2,730 warrants, Rowntree, which convert at 877,000 ordinary shares.

U.S. Treasuries

Table of U.S. Treasuries prices for various maturities.

National-Nederlandsen, Tokio Marine Venture

TOKYO — Nationale-Nederlandsen Life Insurance Co. NV and Tokio Marine & Fire Insurance Co. Ltd. said Wednesday that, starting June 1, they would market a new life and accident insurance policy in Japan. The new policy will combine Tokio Marine's savings and accident insurance and Nationale-Nederlandsen's non-participating term insurance, a statement said.

### Wednesdays AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low	Stock	Div. Yld. PE	52-Week High Low	Close	Chg.
120	ABT	1.21	20	1.21	1.21
100	ABM	1.15	20	1.15	1.15
100	ABN	1.15	20	1.15	1.15
100	ABC	1.15	20	1.15	1.15
100	ABD	1.15	20	1.15	1.15
100	ABE	1.15	20	1.15	1.15
100	ABF	1.15	20	1.15	1.15
100	ABG	1.15	20	1.15	1.15
100	ABH	1.15	20	1.15	1.15
100	ABI	1.15	20	1.15	1.15
100	ABJ	1.15	20	1.15	1.15
100	ABK	1.15	20	1.15	1.15
100	ABL	1.15	20	1.15	1.15
100	ABM	1.15	20	1.15	1.15
100	ABN	1.15	20	1.15	1.15
100	ABO	1.15	20	1.15	1.15
100	ABP	1.15	20	1.15	1.15
100	ABQ	1.15	20	1.15	1.15
100	ABR	1.15	20	1.15	1.15
100	ABS	1.15	20	1.15	1.15
100	ABT	1.15	20	1.15	1.15
100	ABU	1.15	20	1.15	1.15
100	ABV	1.15	20	1.15	1.15
100	ABW	1.15	20	1.15	1.15
100	ABX	1.15	20	1.15	1.15
100	ABY	1.15	20	1.15	1.15
100	ABZ	1.15	20	1.15	1.15

12 Month High Low	Stock	Div. Yld. PE	52-Week High Low	Close	Chg.
100	ABC	1.15	20	1.15	1.15
100	ABD	1.15	20	1.15	1.15
100	ABE	1.15	20	1.15	1.15
100	ABF	1.15	20	1.15	1.15
100	ABG	1.15	20	1.15	1.15
100	ABH	1.15	20	1.15	1.15
100	ABI	1.15	20	1.15	1.15
100	ABJ	1.15	20	1.15	1.15
100	ABK	1.15	20	1.15	1.15
100	ABL	1.15	20	1.15	1.15
100	ABM	1.15	20	1.15	1.15
100	ABN	1.15	20	1.15	1.15
100	ABO	1.15	20	1.15	1.15
100	ABP	1.15	20	1.15	1.15
100	ABQ	1.15	20	1.15	1.15
100	ABR	1.15	20	1.15	1.15
100	ABS	1.15	20	1.15	1.15
100	ABT	1.15	20	1.15	1.15
100	ABU	1.15	20	1.15	1.15
100	ABV	1.15	20	1.15	1.15
100	ABW	1.15	20	1.15	1.15
100	ABX	1.15	20	1.15	1.15
100	ABY	1.15	20	1.15	1.15
100	ABZ	1.15	20	1.15	1.15

12 Month High Low	Stock	Div. Yld. PE	52-Week High Low	Close	Chg.
100	ABC	1.15	20	1.15	1.15
100	ABD	1.15	20	1.15	1.15
100	ABE	1.15	20	1.15	1.15
100	ABF	1.15	20	1.15	1.15
100	ABG	1.15	20	1.15	1.15
100	ABH	1.15	20	1.15	1.15
100	ABI	1.15	20	1.15	1.15
100	ABJ	1.15	20	1.15	1.15
100	ABK	1.15	20	1.15	1.15
100	ABL	1.15	20	1.15	1.15
100	ABM	1.15	20	1.15	1.15
100	ABN	1.15	20	1.15	1.15
100	ABO	1.15	20	1.15	1.15
100	ABP	1.15	20	1.15	1.15
100	ABQ	1.15	20	1.15	1.15
100	ABR	1.15	20	1.15	1.15
100	ABS	1.15	20	1.15	1.15
100	ABT	1.15	20	1.15	1.15
100	ABU	1.15	20	1.15	1.15
100	ABV	1.15	20	1.15	1.15
100	ABW	1.15	20	1.15	1.15
100	ABX	1.15	20	1.15	1.15
100	ABY	1.15	20	1.15	1.15
100	ABZ	1.15	20	1.15	1.15

### AMEX High-Lows

NEW HIGHS 7 NEW LOWS 17

Stock	High	Low
AmTr-bmv sc	100.00	100.00
AmTr-mo sc	100.00	100.00
Fall River Ind	100.00	100.00
Webster	100.00	100.00

# Monday

in the Trib.

Get the latest word from William Safire on Language.

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Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50

Issuer/Mat.	Coupon	Next	Bid	Ask
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50

Issuer/Mat.	Coupon	Next	Bid	Ask
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50
Amalgamated Bank	7 1/2%	11/15/83	99.25	99.50

# 10-Year U.S. Treasury Notes Yield 9.06%

Compiled by Our Staff From Dispatches  
**WASHINGTON** — The U.S. Treasury sold \$8.75 billion of 10-year notes on Wednesday at an average yield of 9.06 percent in an auction aided by falling stock prices.

U.S. banks raised their prime interest rates to 9 percent from 8.5 percent Wednesday, sending stocks sharply lower. Although bond prices generally fall as interest rates rise, the equity sell-off encouraged investors to buy U.S. government

securities, which are often favored in times of economic turmoil. The yield on the new notes was still in line with market expectations.

In the auction, the second of three that comprise the Treasury's quarterly refunding operation, accepted yields ranged from 9.05 percent to 9.06 percent, with 95 percent of the bids at the high return accepted.

The average yield was up from 8.21 percent at the last auction of

10-year notes, on Feb. 3, and was the highest since 9.54 percent on Nov. 21, 1985.

The average price of the notes, which carry a 9 percent coupon, was 99.610, with 100 representing face value.

A total of \$22.89 billion in bids was received, including \$454 million in noncompetitive bids from the public.

The government plans to sell \$8.5 billion of 30-year bonds on Thursday. (Reuters, AP)



Hélio Smidt, president of Varig SA, the private-sector Brazilian carrier that has become the largest Latin American airline.

## Brazil's Varig: Steady in a Sea of Turbulence

By Alan Riding  
*New York Times Service*

**RIO DE JANEIRO** — Given the troubles of airlines across Latin America, Hélio Smidt seems remarkably confident that Varig SA will emerge unscathed from the inflation, recession and labor unrest buffeting the region.

"In Latin America, almost all state and national flag carriers are in the red," the 63-year-old president of the Brazilian flag airline said in an interview. "Varig is different."

In the 61 years since it was founded, Varig has become the largest airline in Latin America and one of the 20 biggest carriers in the world. It has a reputation for safety, service and profitability.

"A major reason for its success is that it's a private company," said Mr. Smidt. "Another is that it has always worked like an army — and still does — with a great deal of discipline."

Nonetheless, the difficulties of running an airline in Latin America are growing. In mid-April, for example, Aeroméxico filed for bankruptcy after years of losses and a strike that cost it about \$7 million. The Mexican government, which owns the airline, was praised by analysts for its resolve to make the country's air transport system more efficient by letting the flag carrier go out of business.

Also in April, a private operator, Transbrasil SA, was taken over by the Brazilian government because it could no longer cover its debts. Several of Latin America's government-owned airlines, such as Aeroperú and Brazil's Vasp SA, continue to need regular infusions of capital to avoid collapse.

Several weeks before, the state-owned Aerolíneas Argentinas sold 40 percent of its stock to Scandinavian Airlines System, which is to

provide assistance in running the South American carrier.

Even for Varig, the traditional exception to most airline rules in Latin America, 1987 was a difficult year. On revenue of \$1.3 billion, Varig reported a loss of \$123 million, the result of a \$128.8-million revaluation of its yen-denominated debt.

Without this exchange loss, the company broke even last year, in contrast to net profit of \$126.7 million in 1986, \$65.4 million in 1985 and \$67.5 million in 1984. Because Varig considers the 1987 results to be only a bookkeeping loss, it has decided to continue paying dividends, using accumulated profits.

Mr. Smidt, raising his voice above the roar of planes landing at the Santos Dumont airport near Rio de Janeiro, declared that "1988 should be better."

"We're finding ways of cutting costs," he said. "We've got three new Boeing 747s coming into operation, and we've signed an agreement with Japan Airlines for an extra Tokyo flight."

With most of Latin America caught in a deep recession, the idea of opening routes and acquiring aircraft is daring. Last year, Varig carried slightly fewer passengers than in 1986, and triple-digit inflation in Argentina, Mexico and Peru as well as Brazil does not augur well.

Yet Varig, Mr. Smidt insisted, is different. For example, it steadfastly ignored the recent fads of slashing fares and offering frequent-flyer deals, believing that a company of its size could never bear the major American and European airlines at those games. "I think they're now regretting they got into them," Mr. Smidt said.

Still more important, Varig is supported by

a mystique and a corporate structure that other Brazilian corporations do not have.

The airline was founded in 1927 by a German immigrant, Otto Ernst Mayer, who stepped down when Brazil declared war on Germany in 1941. He chose his first employee, Ruben Berta, as his successor, and Mr. Berta presided over the company's expansion in the next 25 years.

In 1945, Mr. Berta convinced the stockholders of the company to donate their shares to a foundation, controlled by the airline's employees. The foundation now owns 79 percent of the common shares.

Varig's rapid growth over the past 15 years has required outside financing, which has raised the company's foreign debt to \$1.1 billion. But even with debt-servicing costs of about \$257 million this year, its credit rating remains good.

Varig is Brazil's flag carrier abroad, giving it a big advantage over the country's other major airlines, Transbrasil, which is now in government hands, and Vasp, which is owned by the government of the state of São Paulo. As the flag carrier, Varig has a regular income in hard currencies.

But even with a fleet of 84 aircraft and offices in 64 countries, Varig recognizes that it is a small player among airlines. "Brazil has 18 million airline passengers a year against 400 million in the United States," Mr. Smidt said. "And when we fly to, say, Frankfurt, we're not just competing with West Germany but with all of Europe because a huge regional market feeds into Frankfurt."

In South America, Varig has tried the same strategy, using its numerous flights to neighboring countries as a way of persuading passengers to connect in Rio de Janeiro for flights to the United States and Europe.

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May, 1988

## BANKS:

### A Healthy Start

(Continued from first finance page)  
 to pay off. Restructuring moves — either through asset sales or the dismissal of employees — were in evidence at Manufacturers Hanover Corp., First Interstate Bancorp and Chemical. First-quarter expenses at Chemical, for instance, were 10 percent lower than in last year's fourth quarter.

At some banks, the earnings were buoyed by one-time gains. Chase, the second-largest U.S. banking company, saw its net income swell by about \$160 million in one-time gains: from the sale of a securities information subsidiary, the sale of a branch-office building in Paris and from federal tax benefits from its developing country loan reserves.

Perhaps the best performer was Wells Fargo & Co., which reported a 58 percent gain in net income due almost entirely to improvements in its core banking business. "It's a continuation of tremendous fundamentals at Wells Fargo," said J. Richard Friedland, a Montgomery Securities analyst. "They've had tremendous control over costs and a good pricing environment."

The earnings at many banks were aided by a strong performance in the bank's trading accounts, especially at J.F. Morgan.

Banks are now beginning to trade more financial instruments as they try to become global investment bankers. And the banks have expanded beyond their traditional trading to handle many different instruments, commodities and foreign exchange.

"A lot of banks have made a lot of money on foreign exchange," said Mr. Salem of Prudential-Bache. "Several banks had record high total trading gains, and trading profits were high also in foreign exchange."

### LTV to Sell Plant, Pipe-Making Unit

**CLEVELAND** — LTV Corp. said Wednesday that it had signed a contract to sell its steel plant in Warren, Ohio, and its Reynolds Drainage Products Co., subsidiary to Renco Group Inc., which is privately held. No terms were given.

LTV said the sale was expected to be complete by June 30, subject to court approval. LTV is operating under Chapter 11 of the Federal Bankruptcy Act.

The Warren plant makes flat-rolled steel products and has a capacity of 1.5 million short tons. Drainage Products makes corrugated galvanized steel drainage pipes. LTV said it will retain its coke plant in Warren.

## How would you like your bath, Sir?

Mallorca (Balears) 26,5°



Lanzarote (Canarias) 25°



Matalascañas (Huelva) 23°



La Coruña (Galicia) 20,5°



Benidorm (Alicante) 27°



Berriatua (Guipúzcoa) 20,5°

Costa Brava (Gerona) 24,5°

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And don't worry about towels. We have the sun to dry you automatically.

مركزان الأصيل

Spain. Everything under the sun.

BANKS: A Healthy Start... (Continued from first page)...

Wednesday's OTC Prices... NASDAQ prices as of 4 p.m. New York time.

Table of OTC stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

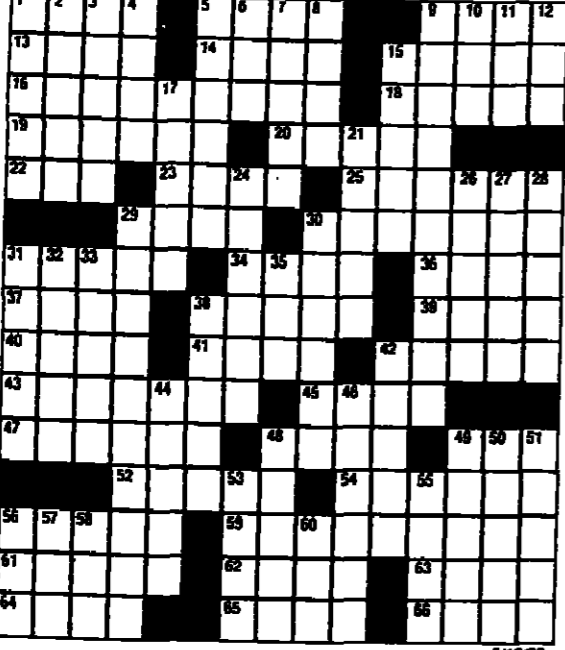
Table of stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

Table of stock prices with columns for stock name, price, and change.

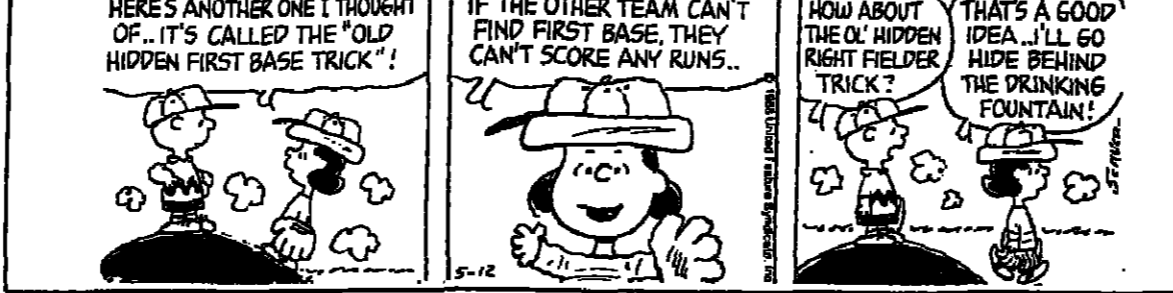
Table of stock prices with columns for stock name, price, and change.

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Crossword puzzle clues: ACROSS: 1 The Bard's river, 2 Mollycoddle, 3 Big stupid guy, 4 Musical syllables, 5 Muscle power, 6 Ego behind the plate, 7 Laborer trap, 8 Plethorific, 9 Gave relief, 10 pro nobis, 11 River of Flanders, 12 Like some herons, 13 Questers, 14 Make sure little Irene gets to Iowa, 15 Dried root of a Mexican vine, 16 Life in Udiwe, 17 St. John's or Penn. State, 18 Type of note or number, 19 Sacred symbol, 20 Jambalaya ingredient, 21 Sac. Comb. form, 22 Had significance, 23 Ego does some falling, 24 Quid, in Dogpatch, 25 Type of fishing boat.

PEANUTS



BLONDIE



BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



© New York Times, edited by Eugene Malinka.

DENNIS THE MENACE



JUMBLE

Jumble word game section with a grid and instructions: 'Unscramble these four Jumbles, one letter to each square, to form four ordinary words.'

Answer here: "NO" (Answers tomorrow)

WEATHER

Weather forecast table with columns for Europe, Asia, North America, Middle East, and Oceania, listing high and low temperatures.

World Stock Markets

World Stock Markets table showing closing prices in local currencies for various cities including Amsterdam, London, Frankfurt, Zurich, Tokyo, Sao Paulo, Singapore, Milan, Paris, Stockholm, and Sydney.

BOOKS

FRANCO: A Biography by J. Fusi. 202 pages. \$25. Harper & Row, Publishers Inc., 10 East 53d Street, New York, N. Y. 10022.

THE FRANCO REGIME, 1936-75 by Stanley G. Payne. 677 pages. \$30. University of Wisconsin Press, 114 N. Murray Street, Madison, Wis. 53715.

Reviewed by Edwin M. Yoder Jr. THE Spanish Civil War of 1936-39 so deep-seated the soul of an age that it is small wonder that its emotional legacy is like Charles II, a long time a-dying. Yet a-dying it is, as any visitor to the vibrant post-Franco Spain discovers. These two books are among the signs that the scholarly consideration of Francisco Franco's 40-year reign is passing from polemic to the more measured scrutiny of history.

Both authors — Juan Pablo Fusi is director of the Spanish National Library, Stanley Payne a professor of history at the University of Wisconsin — carry the story year by year through the Franco era, Fusi laconically, Payne at exhaustive length, but both expertly. The emerging spectacle is paradoxical. The man whose ascendancy stretched from 1936 to his quiet if painful death in bed 13 years ago (with the mummified arm of Saint Teresa of Avila at his side) was physically small and, to most eyes, unprepossessing. Franco was a soldier with strong but simple ideas — a Bonapartist, Payne suggests, without the genius of Bonaparte. He ruled a brilliant and volatile (and changing) society by means of traditionalist social convictions (not ideology) and by a signal talent for agile accommodation. Even more than Louis XIV might Franco have boasted, "I am the state." His "organic Catholic democracy," as he liked to call it, was among the more durable entities of this or any century. Yet it was also a system of jerry-built institutions that largely collapsed at his death.

BRIDGE

By Alan Truscott. Tournaments with cash prizes seem to be coming to the United States. After much soul-searching, the American Contract Bridge League has made plans for such an event in Atlantic City next year.

Financial rewards have long been common in most of Europe, and have now spread to Britain, which used to share the amateur purity of the Americans. A Grand Prix event began in March enabling pairs to win small amounts at a series of local events and qualify for a final with a first prize of \$8,000. In the first local game, a South player missed a chance on the diagrammed deal. He was one of several pairs who stretched to four spades, a user who had been able to ruff a club and throw his heart loose on the diamond ten. The diagrammed auction the three-

trud," as he catalogued these faults in 1963. These ancient Spanish vulnerabilities (as Franco saw them) were preyed upon by sinister external influences. There was communism, of course; and as late as 1943, Franco was offering to send a million volunteers to help defend Berlin in the event of a Soviet breakthrough. Equally, there was the alleged international Masonic conspiracy, which so obsessed Franco that he even wrote and published a book about its machinations under an assumed name. In any case, he alone claimed to be able to steer Spain between the treacherous whirlpools of secular modernism and liberal democracy and Marxist tyranny. Thus Franco as Franco saw him. But the great question for historians is the durability of the "ism" he founded. Fusi and Payne largely agree about this. Franco, a general at 33, had distinguished himself as a military man. He was prudent and cautious and, as his shifting international associations showed, flexible and agile. Far from soft, he was a man of cordiality and courtesy, unpretentious, cautious and averse to violence. By even conservative estimates, the regime executed 28,000 to 30,000 political enemies in the immediate post-Civil War years. Yet as Fusi puts it, "Franco, who was not a violent man by temperament, applied the policy of repression dispassionately... as if fulfilling a duty." He was not a hater. Nonetheless, Francoism suffered first from what Fusi calls "a kind of chronic lack of conscience about the legitimacy of its origins." Without the early aid of Hitler and Mussolini, Franco's July 18, 1936, revolt probably could not have succeeded — it was German and Italian planes that ferried his army from Spanish Morocco to the mainland. To launch his crusade against the collapsing and divided Second Republic, he went to the World War II years. Franco pursued an "unhappy" course of the fascist powers; a history that saw Spain excluded from the United Nations after its founding. This ostracism began to fade only with the onset of Cold War, when Franco's self-advised status as the aboriginal anti-communist ("sentinel of the West," in the phrase of a famous biography) took on a new pertinence. The American alliance, a new accord with the church and eventual UN membership followed. Franco's relationship with the Spanish monarchy was always at best a shaky bed in legitimizing his claims; in his Manifesto at the end of World War II, Don Juan, the Bourbon pretender, condemned Francoism (a bit excessively) as "inspired by the inception by the totalitarian systems of the Axis powers." Yet Franco protested, with some justice, that he had never been a fascist. The judgments of Franco and Francoism that emerge in both these books are incisive but measured. Like most revisionist historians, recent chroniclers of the Franco years are beginning to detect continuities obscured by the bitter polemics and resentments of the Caudillo's lifetime.

Edwin M. Yoder Jr. is a syndicated columnist with The Washington Post Writers Group.

Bridge section containing a card diagram and a table of scores for various tournaments.

Table of tennis tournament results, including names of players and their scores.

كناز الجليل



Tigers and Twins End Streaks Of Athletics (14), Brewers (10)

Compiled by Our Staff From Despatches
NEW YORK—Two substantial American League winning streaks—Oakland's at 14 games and Milwaukee's at 10—are over. And when the same thing happened to the Brewers last year, their season was over too.

record is 19 (the 1906 White Sox and 1947 Yankees), while the 1916 New York Giants hold the major league mark of 26. Detroit is the

career-high four hits and Pete Incafiglia and Larry Parrish hit home runs to highlight a 13-hit attack that buried Baltimore.

BASEBALL ROUNDUP

first team to beat Oakland since Chicago did so, 7-5, in 10 innings on April 22.

Winner Walt Terrell allowed just four hits in his seven innings, and Larry Herndon and Luis Salazar homered. Making just his third start after missing spring training with an ankle injury, Terrell held the big three in Oakland's lineup—Jose Canseco, Mark McGwire and Dave Parker—to a collective 0-for-7. The A's also made five errors that led to three unearned runs.

It was a good way to lose," said Manager Tony La Russa. "We lost as a team."

Baseball

Yankees 17, White Sox 3: In New York, Don Mattingly capped a seven-run third with his first home run of the season as the Yankees broke a three-game losing streak by routing Chicago. New York tied its season high with 20 hits; every starter had at least one.

Basketball

Reds 10, Phillies 1: In Philadelphia, Bo Diaz highlighted a five-run first with a two-run home run that helped Tom Browning win his first game after five no-decision. Browning struck out seven and walked five and walked two in losing his first complete game of the season.

NBA Playoffs

Chicago 103, Detroit 97: In Detroit, the Bulls' Steve Nisely scored 22 points in a 103-97 victory over the Pistons. Nisely's 22 points were the most by a Bulls player in a playoff game.

SCOREBOARD

Tuesday's Line Scores

Table with columns for Team, Score, and Innings. Includes American League and National League games.

Major League Standings

Table showing league standings for American League and National League in East and West divisions.

Transition

BASEBALL—Activated Don Aase, pitcher, from the 15-day disabled list. Released Theodor Lander, outfielder.

Golf

PGA Leaders
1. Sandy Lyle 340,021
2. Chip Beck 340,445
3. Mark McCormack 339,328

Hockey

NHL Playoffs
TUESDAY'S RESULT
New Jersey 4, Boston 3
Boston 5, New Jersey 3

Tennis Leaders

MEN
1. Boris Becker, 440,894
2. Stefan Edberg, 329,248
3. Andre Agassi, 284,971

SPORTS



Despite a first-period collision, Detroit's Isiah Thomas kept the ball in play.

Jazz Stun Lakers in Forum, 101-97; Nuggets, Pistons Winners at Home

Compiled by Our Staff From Despatches
INGLEWOOD, California — Even after what Coach Frank Layden called the biggest victory in franchise history, Utah's players weren't getting cocky.

performances from reserves Mike Evans and Jay Vincent to get the jump in the other Western semifinal. Evans scored 11 points in the second quarter as Denver raced to a 12-point half-time cushion, and Vincent scored nine in the third when the Nuggets blew the game open.

'Stuff and Nonsense'

By George Vecsey
New York Times Service
BOSTON — In the Lewis Carroll wonderland of the National Hockey League, things get curious and curiouser.

Bruins Win, Push Devils To the Edge

The Associated Press
BOSTON — Power politics gave way to power hockey. National Hockey League officials returned to work and the Boston Bruins never let up.

PGA Leaders

EARNINGS
1. Sandy Lyle 340,021
2. Chip Beck 340,445
3. Mark McCormack 339,328

VANTAGE POINT/Mark Heiser

Heavies Blossom In NBA Playoffs

Los Angeles Times Service
LOS ANGELES — The National Basketball Association playoffs are lay-it-up-and-die time. Tempers are getting warm — someone is about to prevent an easy hoop the uh, decisive way.

The problem is not a band of baddies you can love to hate, but a system that has produced what is sometimes referred to as 'the unwritten rule'

— Thou shalt allow no lay-ups in the playoffs.
The moves came a week after the team fired first-year coach John Wetzel and assistant Herb Brown following a 28-54 season, the franchise's worst since the 1968-69 expansion team went 16-66.

Stanley Cup Playoffs

was suspended for the game for a run-in with referee Don Kobarski earlier in the series — and whipped the Devils, 7-1, here Tuesday night.



Rick Mahorn of Detroit, with more than one upper hand, had plenty of leverage on Boston's Robert Parish during the '87 NBA playoffs.

PEOPLE

Beverly Sills to Leave Opera Post in New York

Beverly Sills announced that she would retire as general director of the New York City Opera Jan. 1, and become president of the City Opera Board. Sills joined the company as a soprano in 1955 and emerged as an international star when the company moved from the New York City Center to Lincoln Center in 1966. She retired from the stage in 1980. Sills pointed out that in her second autobiography, "Beverly," published last year, she warned that she intended to retire by the time she was 60 years old. She will turn 59 on May 25.

Agnes de Mille's first ballet for the American Ballet Theater in 13 years prompted an outpouring of praise for the choreographer, featuring a telegram from President Ronald Reagan and his wife, Nancy. Mikhail Baryshnikov read the Reagans' message of congratulations and one from Senator Edward M. Kennedy at a reception for de Mille at the Metropolitan Opera immediately before Tuesday's New York premiere of "The Informant," set during political turmoil in Ireland between 1916 and 1921.

It wasn't a White Christmas, but dozens of fans who usually sing Christmas carols to the composer, Irving Berlin serenaded him at his New York mansion at the very start of his 100th birthday Wednesday. The reclusive composer, who likes to get up in the morning and enjoy a long, quiet day, was put in an apartment in the Waldorf Astoria, who organized the midnight serenade and has organized the Christmas Carol singing outside Berlin's door for at least 20 years; was seen Berlin was awake. "He's a night owl. I've seen him walking his dog at 3 A.M.," Wallworth said.

All 15 symphonies of Dmitri Shostakovich and much of his other music will be performed in London next winter by the London Symphony Orchestra and the Royal Philharmonic Orchestra, announced the concert of the Barbican and the Royal Festival Hall, described the project as the "largest-ever retrospective of the music of one of this century's greatest composers." Conducting of the symphonies, which the composer wrote between 1924 and 1971, will be shared between Mstislav Rostropovich and Vladimir Ashkenazy.

ART BUCHWALD

Let's Hear It for Meese

WASHINGTON — Doubleday came to the door holding a donation can in his hand. "Would you like to give to the 'Save Ed Meese Foundation'?" he asked me. "I'm not sure," I said. "Why are you collecting money for Ed Meese? I thought you were a Democrat."



Buchwald

"I am a Democrat," he said. "That's why I want to save Ed Meese. He is a fine person and should remain attorney general right through the elections."

"But what about the accusations and innuendoes that keep floating over Meese's head?"

"They are lies, all lies. The 'Save Ed Meese Foundation' has proof that he is innocent of all high crimes and misdemeanors. Any conflicts of interest he may have been involved in were caused by his ignorance of the law."

"If you will forgive me, Doubleday, I smell a rat. You and your Democratic friends are trying to save Ed Meese because you need him to kick around during the election campaign."

Doubleday raised his hand in protest. "You have never been further from the truth. Our organization has only one purpose — to fight a miscarriage of justice. Ed Meese is a victim of the greatest injustice this country has ever seen. He must be saved at all costs."

"If the Democrats want to save Ed Meese, who wants to get him?" I asked.

"The Republicans. They keep trying to push him out the window. They think Meese is a liability to the party and should walk the plank as soon as possible. We intend to fight them every step of the way. It's the least we can do for an attorney general who has brought so much respect and prestige to the judicial system."

"I didn't know there were that many Meese-loving Democrats in this land."

"It doesn't matter whether you're a Democrat or a Republican. What counts is how you feel about Wetzsch, and whether Ed Meese has a right to help them get defense contracts. The 'Save Ed Meese Foundation' believes if someone works in the White House can't help his friends, then we'll never have a decent government."

"Does George Bush feel this way?"

"I don't think so. I went to his house the other day to ask for a donation and he turned me down. He said although he has no reason to save Ed Meese, he has no reason for him to stay."

"It figures," I said. "I've never seen George give money to save a Republican attorney general in his life."

"Well, are you going to donate to the cause or aren't you?"

"I'd like to. What do you plan to do with the money?"

"We're going to have a big rally outside the Justice Department and call it 'Honor Ed Meese Day.' Then we're going to barrage the White House with signatures asking the president to keep Meese on no matter how damaging the special prosecutor's report is. And finally we're going to ask Reagan to pardon Ed."

"While he's attorney general?" I said.

"It would be the best time because it would show that Mr. Reagan has confidence in his people. Now how about coughing up a few good dollars for good Ed?"

"I'd like to, Doubleday, but I already gave in the grand jury room."

Finding Stars in German Kitchens

By Serge Schwemman New York Times Service

MUNICH — "The paprika sauce," said the luncheon guest, dropping his voice and glancing around. "Is of a thin consistency." His companion nodded. "The rabbit is not very exciting," he whispered.

Such talk would normally inspire a sarcastic quip, especially in a land where culinary thrills are more often measured in wursts and schnitzels. But this time, a reporter eating lunch with the critical part felt a tinge of conspiratorial excitement.

Suppressing his naive conclusion that the food was great, he glanced at the maître d'hôtel, who was sharing a joke by the door with two waiters.

If he only knew.

Perhaps he could have guessed; not many German executives discuss the menu at length or order four courses at lunch. But nothing else in their dress or demeanor suggested that Jochen Jentsch and Alfred Bercher were anything more than a pair of traveling salesmen, stroking a wavering client or maybe milking the expense account.

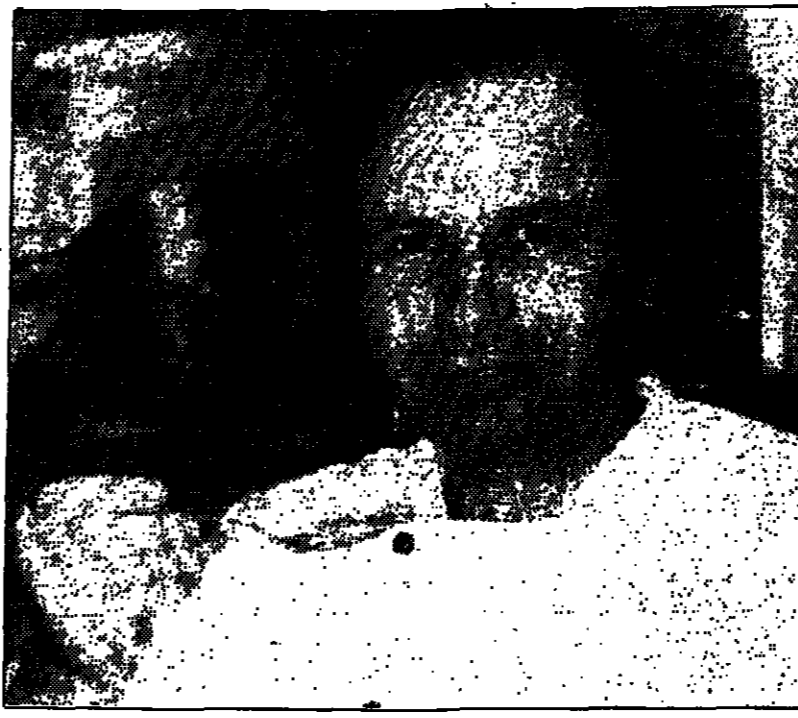
In reality, they are inspectors for Michelin's red guide to West Germany, an annual listing of hotels and restaurants by the French tire manufacturer, whose stars are often considered the single most important measure of excellence for European restaurants.

Jentsch and Bercher were in the middle of a two-week inspection tour of Munich, where French cuisine established its German beachhead in the 1920s in the kitchens of the celebrated Alfred Waterspiel.

Munich's legendary passion for steins of beer and boiled Weiszwurst has not abated, but its new wealth and old love of fine living have kept the city at the forefront of West Germany's growing appetite for fine food. The Michelin inspection underscored just how well, and quickly, that appetite has been sated. It was here in 1979 that the Austrian chef Eckart Witzmann, a disciple of Waterspiel and of Paul Bocuse of France, created the country's first three-star restaurant, Aubergine, where he still presides.

Witzmann's arrival in Munich in 1972, sponsored by a businessman who felt that the city should have a fine restaurant for the Olympic Games that year, regarded by many as Day 1 of West Germany's postwar culinary reawakening. That taurine, Tantis, rose to two stars before Witzmann left to start Aubergine. Later, Tantis also won a third star.

Of several meals with the Michelin men, the four-course feast at Aubergine was the only one during which both closed their eyes and moaned softly with pleasure: Jentsch over ravioli stuffed with fresh mo-



Witzmann

Eckart Witzmann of Aubergine, the first of West Germany's three-star chefs.

rels served on a bed of hop sprouts; Bercher over fried goose liver with truffles served over marinated string beans.

At the end, having found no flaw, they introduced themselves to Witzmann. For a moment his smile froze. "Anything wrong?" he asked. "No, the inspectors quickly reassured him.

It is not unusual for inspectors to disclose their identities, they later explained. The only time they go into deep cover is when stars are at stake. Then, the inspectors hide their purpose, even asking a reporter that the restaurants' names not be published.

But most of their visits, whether to hotels or restaurants, are made to insure that the information about amenities and prices cited in the guide are up to date. In these cases the inspectors announce themselves; they pressure the six or seven years likely to pass between visits under the routine rotation of Michelin inspections is sufficient to erase the memory of their faces.

Witzmann, however, seemed to inspire a special awe; the inspectors admitted that they were sampling his cooking less to judge than to be reminded of the standards by which to judge others.

Witzmann's success has inspired considerable movement in West Germany's culinary world over the past 15 years; inspectors said. The 1966 Michelin guide listed 66 one-star restaurants; there were no two- or three-star establishments. By 1976 there were 169 restaurants with one star and 7 with two stars.

Today, 180 West German restaurants boast a Michelin star, nine have two stars and four have three. At the same time, Italian, French, Greek and other European restaurants of all sizes and quality have proliferated, further assailing West Germany's culinary provincialism.

The change has not been revolutionary, however. For most West Germans, dining out still means lots of pork, cabbage and oily french fries with canned gravy at a local Gasthaus, followed by heavy pastry slathered in thick whipped cream.

"Here," Jentsch explained, "eating has always been done mainly to stop being hungry," while in France, "even for simple families, food has always been part of the culture."

Witzmann, while complimenting local food resources, said he still imports most ingredients from France. "I can sometimes get good pigeon here," he said, "but if I need 100 pigeons for a guaranteed quality, I can only get that from France."

Not surprisingly, West Germany's 193 starred restaurants are a dim cluster compared with the French constellation of 635, of which 18 are triples. But outside the Gallic world, West Germans can stand proud: Britain and Ireland together have only 47 stars, and Italy, though roughly even with the West Germans in starred establishments, has only one with three stars.

Jentsch and Bercher are among eight inspectors — all Germans, all with backgrounds in restaurants and hotels — who crisscross the country by car, checking and rechecking the 10,400 hotels and restaurants listed in the Michelin guide. Generally, inspectors are natives of the country in which they work, in part so that they can understand national culinary traditions and customs.

What makes their job the stuff of legend and anecdote is the fact that they feed — twice a day, five times a week, about seven months out of each year — on dishes that many mortals taste only on special occasions.

"Occasionally, you need a big pork roast with dumplings," Jentsch confessed. As the two inspectors described it over a final meal at a restaurant that was a strong candidate for a second star, the birth of a stellar restaurant is a long-drawn-out affair involving visits by separate teams.

"For one star, if all the results agree and we know the chef, then three or four visits may be enough," said Bercher, a longtime Michelin inspector in his early 40s whose credentials include experience as a waiter at a premier London hotel. "But if the results differ, we wait." "We never want to be rushed into a decision."

For two or three stars, "we need a much longer period to be sure that there's a lasting standard," he said. "A two-star has to be exceptional, with a consistently original and exciting cuisine. Three stars has to be perfect. Everything: the china, the crystal, the service and, of course, the food."

The fourth and latest West German restaurant to win three stars, Im Schiffchen in Düsseldorf, was a candidate for three years after the first good reports reached Michelin. But inspectors returned and found that the restaurant had moved from street level to the second floor; they waited another year to see how that affected standards.

Losing a star is considerably easier. The departure of the chef is normally enough to place a three-star establishment on probation. And what of the restaurant where the rabbit was a bit boring and the sauce too thin, an elegant place whose venerable name has been graced with a single star through many editions of the Michelin?

"The place must be watched," Jentsch whispered. "Look at the waiter gossiping in the corner. In a place like that, they got to be right here when needed, but only then. Times are changing, of course. Things are getting more casual, but certain standards should be maintained."

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Degas Bronze Is Sold For Record \$10 Million

NEW YORK — An unidentified buyer paid \$10.12 million for a Degas bronze of a ballet dancer, a world auction record price for a sculpture of any kind. "La Reine Dausseau de Quatorze Ans" was purchased by an unidentified European at a sale of French Impressionist and modern paintings and sculpture at Sotheby's.

The Degas ballerina is one of 27 bronze casts of a wax original sculpted in 1880 and enhanced by an actual tutu and satin hair ribbon. The previous world record for a sculpture was \$3.63 million, set at Christie's in New York last May by Giacomotti's "Large Woman Standing II."

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